



## GUIDANCE & SUPERVISION

# LISCC Recovery and Resolution Preparedness Program Title I Processes and Protocols

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\* This version was posted on RRP's internal TeamSite a/o 12/22/2022

### **Redacted Public Version**

***Note: All redactions in this redacted public version are indicated in bold, italic font with brackets around it, like this: [Redaction: description of redacted material]. Additionally, the front cover, end page, and some font sizes and colors are slightly different from the original internal document to reflect Board publishing standards and to increase accessibility.***



BOARD OF GOVERNORS OF THE FEDERAL RESERVE

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## Overview

Resolution plans, required by Title 1 of the Dodd-Frank Act and commonly known as living wills, must describe a firm's strategy for orderly resolution under bankruptcy in the event of material financial distress or failure of the company. Since 2012, there have been several rounds of resolution plan submissions from firms and feedback from the Federal Reserve and FDIC (each, an Agency, and together, the Agencies) which, combined with other post-financial crisis reforms, have resulted in substantial gains in the resiliency and resolvability of large banking organizations and the financial system.

In October 2019, the boards of the Agencies finalized changes to Regulation QQ. The resolution planning rule (Regulation QQ) tailors the submission frequency and content of a resolution plan according to a firm's business model and risk profile. The rule covers the U.S. GSIBs (the domestic LISCC firms) as well as Category II and III firms. This manual covers the processes and protocols for reviewing the LISCC firms' resolution plan submissions, consistent with both targeted and full plan review cycles.

Key features include:

The filing cycle for the Title I Plans is based on tiering with the U.S. GSIBs (the domestic LISCC firms) to submit a plan every other year and the Category II and III firms filing less frequently. For all firms the plans alternate between a full and a targeted plan (which contains a subset of information relating to capital, liquidity, plans for recapitalization; material changes since previous filing; and any targeted areas of interest identified by the agencies). The approach to a targeted plan review mirrors the full plan submission but with a more focused scope of review, and in turn, more limited resources and potentially shorter timeline commensurate with the scope.

The final rule requires the Agencies to identify any shortcomings or deficiencies no later than 12 months after the plan is submitted.

## Governance

The Title I review process is coordinated and executed jointly with the FDIC, with each agency having similar governance structures. Agency staff work jointly on all aspects of the review. The boards of both Agencies separately approve final Title I decisions, but typically issue joint feedback letters and press releases. The following provides roles and responsibilities for the Federal Reserve's Title I governance.

### Steering Committee (SC) co-chairs

The RRP SC co-chairs provide senior oversight and governance on matters associated with the resolution plan reviews and determinations for LISCC firms and approve the scope memos, including any material changes to the scope memos. The SC co-chairs work closely with their FDIC leadership counterparts to discuss and finalize key review decisions

## RRP Steering Committee (RRP SC)

The RRP SC provides input as requested by RRP SC co-chairs during various parts of each review cycle. The RRP SC does not approve Title I related products, but they are actively engaged in scope, mid-point, and vetting discussions making them an integral part of the process to ensure decisions, scopes, and other key review aspects are sound.

## Program Leadership Group (PLG)

The PLG members report to the RRP SC co-chairs. The dedicated PLG member(s) for Title I are responsible for day-to-day execution of the Title I review, which includes guiding and overseeing the RRP team members, ensuring adherence to scope, reviewing and approving relevant deliverables (see deliverable tables on page 4 and 8), and identifying issues that should be escalated, as well as engaging with relevant FDIC counterparts to effectively perform each review.

## Examiner-In-Charge (EIC)

The EIC is the examiner overseeing the review in aggregate. They are responsible for preparing the high level review scope and ensuring the workstreams are operating jointly and as a combined team. The EIC reviews the individual workstream products to ensure they are in line with the overall expectations for the review and outcomes are in alignment. The EIC also coordinates review engagement with the firms including the Q&A process.

## RRP Operations

The RRP Operations team is responsible for ensuring the Title I review is executed effectively and in compliance with the policies and procedures outlined in this manual. The Operations team includes the RRP Operations Lead and project coordinator. The team collaborates closely with the PLG, EIC, and workstream leads on all operational elements of the review, including plan submission, document maintenance, scheduling and hosting meetings, sending correspondence to the firms, and coordinating the firm engagement process.

## Pre-scoping Process

The Title I review pre-scoping process commences approximately six months before new resolution plans are received. This period is coordinated and executed jointly with the FDIC, as is the official Title I Review. The following areas detail the pre-scoping process for each Title I review cycle.

Pre-scoping Deliverables Overview<sup>1</sup>

Document	Responsible	Repository	Approval
<b>Scope Overview</b>	Agency	ExamSpace	Vetted by PLG and SC co-chairs, ExamSpace Approval by PLG
<b>Internal Survey Kickoff Meeting Presentation Deck (Optional)</b>	Agency	ExamSpace	At discretion of PLG
<b>Key Changes Review Presentations</b>	Agency (DST)	RRP SharePoint Site	No
<b>Summary Memos (as applicable from pre-scope monitoring)</b>	Agency	ExamSpace	ExamSpace approval by EIC
<b>Firm Submission Preview Presentations</b>	Firm	RRP SharePoint Site	No

## Scope Overview Development

The RRP PLG and SC, in coordination with the FDIC, begins preparing a scope overview for the upcoming Title I review. Regulation QQ and related supervisory guidance outlines the requirements and expectations of resolution plans. These requirements and expectations should guide the formulation of the scope and provide directional detail for necessary monitoring in advance of the resolution plan submission date.

The scope overview will be developed jointly with the FDIC and will go through a series of iterations. The scope is a directional document intended to prepare teams for the upcoming Title I review, and any monitoring required prior to the receipt of Resolution Plans. The PLG and the EIC lead will collectively draft the scope— identifying broad topics/workstreams and areas for additional monitoring work prior to the review. In the case of targeted plan reviews, a more streamlined scoping process will occur, commensurate with the reduced size of the planned submission.

Once a draft has been developed, the SC co-chairs will perform an initial review, providing necessary feedback/edits. After the initial co-chair review, the scope will be vetted with the SC during one of their regularly scheduled meetings; however, the SC does not have final sign-off on the scope, rather, the vetting represents an opportunity for input and feedback.

After internal leadership feedback has been provided and incorporated, SC co-chairs and PLG members, as needed, will begin discussing the scope with FDIC counterparts. This step often requires a series of meetings and negotiations, leading to additional iterations of the scope. The

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<sup>1</sup>QC is not required for pre-scoping deliverables.

final pre-exam scope receives final approval during a meeting with PLG and SC co-chairs and their equivalent counterparts at the FDIC prior to the commencement of any Title I monitoring work. Approvals of scope memos will be additionally evidenced by PLG Approval in ExamSpace and any subsequent modifications will also be noted and recorded in the scope memos.

#### Federal Reserve Internal Survey Kick-off Meeting

Resource assignments should be developed by the PLG, EIC, and Operations Lead once the Survey scope has been finalized. Assignments will initially focus on monitoring work. Each monitoring topic may require the formation of a workstream, with leadership provided by a workstream lead, supported by dedicated staff for that workstream. There is additionally an Examiner in Charge (EIC) of the entire Title I review who is typically assigned from the pre-scoping/monitoring phase through the end of the Title I review. PLG members accountable for the workstreams should be identified and provided to staff. This information, in addition to debriefs and lessons learned sessions from the previous year's reviews should be shared during an internal kick-off meeting.

#### Key Insights

Annually, each DST in scope for the upcoming review, in consultation with designated RRP core team members, provides a briefing to all Title I team members on significant firm changes that may have distinct and material impacts on resolvability. The goal of this briefing is to leverage knowledge and expertise from the DSTs to gather firm-specific insights, which will inform the examiners/plan reviewers, and allow for risk-focused scoping of the upcoming review.

The purpose of the key insights review is for supervisors internally to identify and agree upon the key trends, developments, and/or changes at each firm impacting its resolvability. If needed, the RRP SC co-chairs may also ask that special reviews be carried out to address particularly material or unique issues not otherwise covered by the horizontal workstreams.

#### Monitoring Topics and Deliverables

Monitoring Topics and discrete workstreams are typically identified for further exploration during the pre-scoping process. The purpose of monitoring work includes:

- (i) facilitating early identification of material changes impacting each firms' resolution strategy/resolvability,
- (ii) broadening team's perspective on risk to firms' execution of Title I plans, and
- (iii) helping refine key scoping areas for plan review.

Monitoring work may require additional information requests from firms and typically involves firm meetings; however, monitoring work does not result in a vetting/overall assessment with the key purpose being to inform the scope of the Title I review. Each topic area, or workstream conducting monitoring will be required to complete a summary memo highlighting material changes, or additional detail observed during the monitoring period. A summary memo template will be provided in advance of the monitoring period and will be tailored each year

based on each unique monitoring cycle. The PLG and SC should hold a meeting or use a regularly scheduled SC meeting to consider key takeaways at the end of the survey review period.

Information received from firms related to survey topics should be uploaded by the firm to an IntraLinks exchange, and automatically transferred to the RRP SharePoint site. Firm-produced materials will be stored on the RRP SharePoint site. FRS/FDIC-produced deliverables will be stored on the dedicated ExamSpace site for Title I Monitoring work.

## Title I Review Deliverable Overview

Expectations and review work product templates should be updated as necessary, before the Title I kick-off meeting, training, and review.

Required work products are listed below and can be found in the “Templates and Schedule” folder of the relevant year’s Title I review:

### *Pre-Review Prep Phase*

- Scope Overview
- Individual Workstream Scope Memos/Workprogram Questions
- Overview Email

### *Review Phase*

- Mid-Point Discussion (Optional – deliverable at discretion of review leadership)
- Firm Engagement Process Meeting Minutes

### *Post Review/Vetting Prep Phase*

- Examiner Workprogram Memos
- Summary Assessment Memo (SAM)
- Vetting Deck
- Workstream Lead Checklist (Including QC checklist)
- Disposition of Findings
- Divergent Views

Given that the scope, breadth, and firms reviewed each cycle will change, the design and necessary content of the Title I Plan review templates may require adjustments. However, in all cases, all work products need to provide evidence of approval through ExamSpace (where required), comply with Information Security Classifications and page numbering (e.g. “x” of “y” or notation of “Last Page” at the end of the document, when the pagination option of “x” of “y” is not available). Program management will train staff on appropriate classification and QC document protocols at least one month prior to review kickoff.

## Storage of Workproducts

Each Agency will maintain their own standards and protocols for the storage of workproducts. LISCC’s system of record for the storage of assessment memos, vetting presentations, and final

published documents will be the respective ExamSpace site created for each year's review. Published documents should document all material changes to workpapers including reviewer comments. Workstream Leads are responsible for utilizing the Workstream lead checklist to ensure workpaper completeness for ExamSpace. Note – Resolution plans and other Firm provided material will be stored on the RRP SharePoint site.

#### Approval of Deliverables

Workproduct	ExamSpace Approval?	QC Requirement
<b>Scope Overview</b>	Approved by co-chairs, no ExamSpace Approval required	No
<b>Workstream Scope Memos/Workprogram Questions</b>	PLG	Y – EIC
<b>Overview Email</b>	EIC	N
<b>Mid-Point Status Update</b>	No	No
<b>Firm Engagement Process Meeting Minutes</b>	No	No
<b>Examiner Workprogram Memo</b>	Workstream Lead	Y-Workstream Lead
<b>Summary Assessment Memo (SAM)</b>	PLG	Y – EIC
<b>Vetting Deck</b>	No	No
<b>Disposition of Findings</b>	PLG	Y – EIC
<b>Divergent Views</b>	PLG	No
<b>Workstream Lead Checklist</b>	No	No

## Pre-Review Prep Phase

### Scope Overview and Workstream Scope Memo/Workprogram Questions

Once monitoring work has been completed, leadership from FRB and FDIC, in coordination with PLG and the EIC, will review the initial Scope overview and make necessary refinements based on key insights from monitoring work and other key inputs. The scope overview is a high-level document that identifies key workstreams and objectives in scope for the upcoming Title I review submissions. Finalization of the scope overview may require several joint agency leadership meetings, but not a formal vetting with the RRP SC. The RRP SC co-chairs and PLG, in



coordination with their FDIC counterparts, jointly approve the scope overview, with approval evidenced in ExamSpace by a PLG member. The RRP SC will be briefed prior to this finalization.

Joint Agency Workstreams leads are assigned, or may be consistent with monitoring workstreams. These leads then begin drafting workstream specific scope memos with detailed objectives, supporting workprogram questions as well as team assignments and other key details. Workstream scope memos must follow the jointly agreed upon scope memo template. Workstream scope memos go through a series of review by joint agency leadership, including a joint agency vetting where approval is given by SC co-chairs, PLG members, and their FDIC counterparts; Approval is evidenced in ExamSpace by a PLG member. The joint agency workstream scope memos/workprogram questions should be vetted and approved approximately 37 days prior to the exam kick-off.

### Joint Agency Title I Training Session and Internal Meeting

The agencies will host a meeting no later than one month in advance of each cycle's Resolution Plan submission. This session serves as a training opportunity for staff, as well as their FDIC counterparts to discuss foundational elements of the review including:

- Monitoring assessments
- Key insights presentations
- Workpaper expectations and supporting timelines
- Scope memos for each workstream
- Other relevant items

PLG members and SC co-chairs should attend this meeting in addition to RRP staff. Meeting minutes of this session will be maintained and stored on ExamSpace.

### Overview Email

Operational staff at each agency should notify each firm prior to the required Title I Plan submission date to inform firms of the submission process. This may include details regarding accessing IntraLinks, file naming conventions, etc. Additionally, agencies should inform the firms of review contacts, as well as expectations for engagement for the review period.

An example of a previous submission guideline communication can be viewed ***[Redacted: hyperlink to internal website to which an example submission guideline communication is posted]***.

### Title I Review Phase

#### Transfer of Resolution Plans and Review of Submission Manifests

LISCC Program Management should coordinate with Board IT in advance of the submission date to ensure that Resolution Plans submitted to IntraLinks can be automatically transferred to the

current RRP SharePoint site. This feature provides review staff access to the plans and creates a record of the submission as documents uploaded to IntraLinks are only temporarily stored.

At the time of resolution plan receipt, the RRP operations team reviews firm submission manifests, which accompany each submission, to ensure all expected documents were received. If documents are missing, the RRP operations lead will correspond with the firm in a timely manner to ensure all documents are in place within the deadline. Once resolution plans are received, teams begin reading and reviewing the material from each firm, in accordance with each workstream scope memo.

### Interactions with Firms

As staff begin reviewing resolution plans, they may identify areas for firm clarification. The agencies have established a coordinated approach for interacting with the firms during the review period, which may be updated depending on the review cycle's requirements.

The 2019 firm engagement process and supporting details can be viewed ***[Redacted: hyperlink to internal website to which 2019 firm engagement process is posted]***. Note, each year's engagement process will be tailored to that year's review, and may vary from previous processes and lessons learned. Firm engagement processes occurring after 2022 will be facilitated in ExamSpace.

Review staff from both agencies should ensure questions posed to the firms as well as firm responses and additional documentation provided during the submission review period are appropriately documented and posted to the Title I ExamSpace site.

### Mid-point Status Update

The agencies should hold a joint mid-point status update approximately halfway through the review cycle. Review teams should provide a readout of their workstream's status, and escalate potential areas of concern. Mid-point documentation is at the discretion of Agency leadership and should be provided in advance of the review. SC co-chairs, other SC members, PLG members and their FDIC counterparts should participate in this check-in session as well as the Workstream Leads and review team staff, if space permits. RRP Operations, in coordination with FDIC operational staff are responsible for scheduling and executing this session.

### Post Review/Vetting Prep Phase

#### Examiner Workprogram Memos

Each examiner on the review should complete their own Examiner workprogram memo, in coordination with their FDIC counterpart. This memo includes an executive summary, the workprogram questions approved for each workstream, and any key observations or areas for further discussion. Only one examiner pair (FRS/FDIC) should be assigned to review each objective/workprogram question. Examiner workprograms memos should only cover the

firm/objectives assigned to each examiner. For example, if examiner pair A is assigned to cover Bank of America Objective 1, questions 1-5, their memo should only cover Bank of America Objective 1, questions 1-5.

For review, the workstream lead should review each individual memo, and only provide bubble comments, no redlines. Each iteration should be saved on the ExamSpace page. The workstream lead is required to approve the final version of each examiner workprogram memo in ExamSpace. Additionally, the workstream lead must perform Quality control on each memo, as outlined in the Workstream lead checklist.

### Summary Assessment Memos (SAMs)

A SAM should be written by the workstream lead of each workstream in scope. The workstream lead from each agency will jointly draft the SAM for their workstream. The SAM should incorporate areas of concern and discussion items from examiner workprogram memos, and should additionally include a range of practice table for all firms in scope.

SAMs are initially reviewed by the EIC, who is responsible for performing required QC, as outlined in the Workstream Lead checklist. Final SAMs are reviewed and formally approved in ExamSpace by a PLG member.

### Disposition of Findings

Disposition of Findings templates should be drafted by each workstream lead (one for each firm the workstream reviews) and should document key issues/areas identified for further discussion for each level of review. This includes items highlighted by the examiners, in the Examiner Workprogram Memo, and the workstream lead, in the SAM. The Title I review lead and a PLG member must additionally sign off on the detail provided in the DoF. A DoF should still be utilized, even if no issues are highlighted in the deliverable documents. In such cases, it should be stated that “no issues or areas of concern were raised.”.

### Divergent Views

If a workstream lead or other member of the review leadership disagrees with items raised by the examiner (noted in the examiner workprogram memo), justification should be provided in the DoF. A discussion with the examiner should be held to explain the rationale. If the examiner still disagrees, a divergent view should be raised and the divergent view template utilized. Divergent views raised between FRS staff will follow the LISCC process for properly reviewing and vetting a divergent view. Divergent views between the agencies (FRB and FDIC) will be handled through a separate process.

### Vetting Deck

A vetting deck is typically used for the final vetting presentation. Vetting deck templates will be tailored annually based on the unique aspects of each review. However, the vetting deck

should only include material covered in the examiner workprogram memos, or the SAMs. Review and approval process of the vetting deck is at the discretion of the review lead.

## Vetting

A joint agency vetting follows the completion of the review of firms' resolution plan submissions. During the vetting, workstream teams and leads summarize and present findings to the SC co-chairs, PLG members and their FDIC counterparts. RRP SC members are additionally invited to the vetting to provide relevant input.

At the end of each vetting, a joint executive session with agency leadership is held to discuss items for further consideration resulting from vetting findings. Vetting summaries should be captured and posted on the RRP SharePoint site. The vetting summary should include a summary of key takeaways for each area of focus and horizontal themes for the workstream vetting meeting and divergent views.

### ***Required Vetting Documentation***

A vetting package should be provided to all attendees at least 5 business days in advance of the meeting. The vetting package will include **Summary Assessment Memos (SAMs)** for all workstreams, **Disposition of Findings (DoFs) links** (FRS only), and **Divergent Views Templates** (as applicable). Additionally, a **vetting deck** should accompany each workstream's SAM, and should follow the provided vetting deck template for the respective year's review.

To adhere to information security protocols, each agency should provide their staff with the agenda and supporting documentation in advance of the vetting session. Documents with confidential supervisory information (CSI) should not be posted to the meeting invite. LISCC Program Management may provide a link to the documents and agenda in the meeting invite for internal staff members.

### ***Vetting Coordination***

Operational staff at the agency are responsible for coordinating the vetting meetings and invites. Additionally, operational staff will develop the agenda in coordination with SC co-chairs, PLG leads and their FDIC counterparts.

Agencies' operational staff are jointly responsible for capturing a meeting summary at the vetting, which should be posted to the Title I ExamSpace Site.

### ***Attendance Expectations***

Federal Reserve invitees to the vetting include review team leads and staff members, the full RRP SC, RRP PLG, and DST leads and deputies of each firm in scope for the review.

## Workstream Lead Checklist/QC

To assist the workstream lead in tracking deliverables and ensuring quality control, each workstream must maintain a Workstream Lead Checklist. The checklist highlights required

steps, ExamSpace Approvals, and quality control. The checklist should be saved after the final vetting and posted to the relevant ExamSpace site, prior to the certification of ExamSpace.

## Post Vetting Title I Review Process and Publication

After the vetting, both agencies strive to develop an agreed upon recommendation regarding resolvability weaknesses – i.e., potential shortcomings or deficiencies that will ultimately be considered for a decision by each agency’s board. The RRP SC co-chairs will provide an evaluation of the resolution plans to the OC, which in turn provides the evaluation and draft messaging recommended to the SR Director. The SR Director provides a recommendation to the Board using normal protocols. The Board then decides whether a LISCC firm’s resolution plan contains deficiencies or shortcomings before announcing the decision publicly.

Many key milestones<sup>2</sup> are required to ensure the post vetting process is successfully executed. The following sections describe detailed milestones and examples of relevant supporting documents. As a general note, the RRP Operations team coordinate the schedule and execution of the described process.

### Pre Board Decision Preparation

#### ***Senior Leadership and Governor Pre Briefings***

After the vetting, FRS and FDIC leadership begin further discussing proposed outcomes and negotiating on areas of divergence. To ensure principal feedback early in the process, each agency begins holding internal “pre-briefings” with senior leadership. For the FRS, individual meetings are scheduled with the S&R director, the Chair of the Board, Vice Chair of Supervision, as well as other governors on the Board. Based on need, additional or second round pre-briefings may be requested.

Materials used during these briefings may include a draft assessment grid, draft feedback letters, or specially prepared presentation decks as necessary. Post vetting materials are stored in a limited access space on the RRP SharePoint site, as leak risk of discussions and potential outcomes remains a concern. During this time, document access is only permitted on a need to know basis.

#### ***Letter Drafting and other Decision Documents***

Board legal, in coordination with the PLG and FDIC counterparts, begin drafting letters after the Agencies have reached general agreement on vetting outcomes. These letters are draft and often used for initial pre-briefings. The FRS will iterate jointly with the FDIC if senior leadership requests changes prior to final Board meetings. The PLG and SC Co-chairs are responsible for ensuring letter components are aligned with vetting outcomes and pre-briefing actions.

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<sup>2</sup> The 2019 Title I Release Timeline should be used as a template and/or reference for RRP Operations as they management the post vetting process.

Documents in addition to feedback letters drafted during the pre-decision process include:

- Board memo – typically drafted by Board legal and is internal to the Federal Reserve
- Joint press release – drafted in coordination with FRB and FDIC public affairs offices and key RRP leadership from both agencies
- Board presentation <sup>3</sup>– typically drafted by PLG members, this document is internal to the Federal Reserve

### ***Pre-Decision Consultations***

The agencies' practice has been to inform several stakeholders of potential outcomes in advance of the Board's decision. These stakeholders include:

- DST Leads – an initial meeting should be held with the DST leads to provide an overview of the post vetting process, however, more detail around expected outcomes should not be discussed during this meeting.
- OCC and the SEC – pre-decision consultations with these agencies may be required in some cases and are usually handled by Board Legal.

Pre-decision consultations are typically completed by an SC co-chair, PLG lead, or a member of Board legal. The timing of consultations should be discussed and confirmed with the SC co-chairs and Board Legal.

### ***Script Preparation***

Several of the following key meetings and emails require scripts or coordinated messages. To ensure these are completed in a timely manner, RRP operations and other joint agency staff should prepare the following (see each corresponding section below for more detail):

- Script for DST pre-release consultation
- Consultation with Regulators Call Script or draft email for communication with relevant regulators (see page 13)
- Script for pre-release notification call with each firm (see page 13)
- Notification to other stakeholders for key FRS participants and stakeholders (see page 14)

### ***DST Pre-Release Consultation***

Another meeting with the DST leads and deputies should be scheduled a few days in advance of the public release of resolution decisions. This meeting may include more detailed discussions of outcomes and next steps and will additionally request the following:

- A member of the DST leadership team to arrange for a meeting (conference call -a time slot will be provided during the DST pre-release consultation) with the firm to discuss a

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<sup>3</sup> If a notation vote is held in lieu of a Board meeting, a briefing memo, briefing deck, or similar document would replace the Board Presentation.

resolution matter.

- A member of the DST leadership to participate in the requested firm meeting and provide a copy of the feedback letter to the firm, via secure email, shortly after the call. A soft copy of the feedback letter will be provided to the DST lead or deputy the day before the public release of the letters.

## Board Decision and Post Decision Preparation

### ***Agency Meetings and Decisions***

Each agency holds a separate, Board meeting or notation vote to determine outcomes. During the Federal Reserve Board meeting<sup>4</sup>, PLG members, Board Legal, and the SC co-chairs discuss the board package including a board memo with proposed recommendations, draft feedback letters, and a draft press release. For a notation vote, members of the RRP program may brief Governors individually depending on their preferences.

Once the FDIC board meeting closes, the secretary of the FDIC will sign each firm feedback letter. A member of Board staff will transfer letters to the Board secretary for signature. Once both agencies have signed the letters, a member of Board staff should scan the letters and provide a soft copy to the RRP operations lead via secure email. The soft copy of the letter will be posted to the FRB SharePoint site as an internal record, and additionally will be provided to the relevant DST lead/deputy as discussed below. The hard copy of the letters should be mailed to the firms, once the decision has been made public.

### ***Public Website Coordination***

RRP Operations should contact the public affairs office and the public website (pubweb) section at the Board in advance of the Board meeting or planned notation vote to discuss requested timing and posting requirements. Typically, RRP operations provides final versions of the letters (without official signatures) to a contact in pubweb the day before the letters and press release go public. Timing may vary based on unique circumstances, but RRP operations should ensure coordination.

### ***Consultation with Regulators***

The SC co-chairs and FDIC Leadership, in coordination with the RRP PLG and Board Legal, should determine necessary pre and post consultations with other financial regulators of the firms in scope for the review. Consultations with regulators (with the exception of the OCC and SEC) should typically be held only after both boards have voted. Consultations may be in the form of conference calls, but may also be sent as post notification emails, after the press release and feedback letters have been made public.

### ***Pre-Release Notification to Firms in Scope***

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<sup>4</sup> The Sunshine Act form should be completed in advance of the Board meeting to successfully close the meeting. RRP Operations, in coordination with Board Legal are responsible for completing this item. A notation vote does not require a Sunshine Act form.

As noted above, meetings with each firm in scope should be arranged the same day the press release and feedback letters are to be made public. Such meetings should be scheduled in the morning for approximately 15 minutes per firm. A member of RRP operations will be responsible for sending meeting invites to relevant RRP leadership at both agencies, as well as the relevant DST lead and deputy a few days in advance. The DST members should not forward the meeting invite to the firm, but rather should only share dial-in details and meeting time.

Calls with each firm will be scripted and will be followed by the transfer of their feedback letter, via secure email, by the respective DST lead/deputy. The letters will be under an embargo until the press release later that day and firms are notified of this restriction; however, providing the firms with the letter in advance allows their public affairs offices to prepare any necessary press releases of their own.

### ***Public Release***

The agencies post the approved press release on each respective public agency website, typically at 4:30 PM on the selected day of release. In addition to the press release, feedback letters are posted on the FRB's public website.

Prior to the public press release and feedback letter posting, the FRB and FDIC public affairs office release documents to reporters under an embargo. The embargo is usually no longer than 2 hours, and depending on the nature of findings, a press call may be held during the embargo period. In the event of a press call, the agencies should work together to prepare potential Q&As in advance of the press call.

### ***Notification to Other Stakeholders***

Once the press release and feedback letters have been made public, RRP operations should send a notification to the RRP Program, the LISCC community, as well as any other relevant internal stakeholders making them aware of final determinations.

## **Follow-up**

Please refer to Regulation QQ for detailed information on follow-up requirements for shortcomings and deficiencies. In the event deficiencies are found, FRB and FDIC leadership will confer to devise a review plan based on remediation timelines dictated in each firm's letter.

## **Quality Control**

The RRP program strives for operational excellence such that the Recovery and Resolution Program (RRP) is in compliance with the LISCC Program and System requirements for LISCC-led



exams,<sup>5</sup> as well as for joint agency exams, and runs with maximum efficiency, consistency, quality, and transparency, all of which should become an integral part of the LISCC RRP culture.

## Strategic Objectives

- Strengthen compliance with Program and System guidance and promote consistent, transparent and sustainable processes and business outcomes.
- Implement Program and System LISCC operating standards (i.e. policies/procedures/products) to ensure consistent execution by RRP teams.
- Bridge the gap between Title I joint agency expectations and the LISCC internal system-wide processes and expectations.

## Board Legal's Role in Quality Control

A member of the Federal Reserve Board's legal team is assigned to each workstream during each Title I review cycle. Additionally, Board legal has representation on the RRP SC, as well as attends meetings with regulators, the firms, and engages in other key interactions. Board legal also participates in a separate legal workstream with FDIC counterparts, handling legal issues as they arise during plan review. Board legal acts as a first-line quality check to ensure materials produced are aligned with legal requirements. This includes ensuring drafted language is appropriate, documentation is sufficient, and each required aspect of the regulation is strictly followed. In addition to Board legal's role in quality control, the sections below describe the second line review of quality control.

## Accountable Party

### ***Program co-chairs and PLG***

- Accountable for all findings in respective T1 workstreams.

## Responsible Party

### ***PLG***

- Review, approve, and provide final sign off on key supervisory products including Scope Memo/workprogram, SAMs, DoFs, Divergent Views to ensure conformance with Program standards and expectations in real-time during exam cycle.
  - Use Workstream lead QC checklist to ensure staff are performing real-time QC checks on supervisory products and as evidence of the QC review.
  - Ensure that Disposition of Findings log is accurate
  - Ensure that divergent views are noted in Disposition of Findings and Divergent Views templates

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<sup>5</sup> RRP exams outside of the Title I review will follow the OOC developed QC framework and Exam Execution work program.

### ***Review Lead***

- Review, approve, and provide QC on a range of deliverables throughout the review, as identified in the Workstream Lead checklist. Ensure conformance with Program standards and expectations in real-time during exam cycle.
  - Ensure that Disposition of Findings log is accurate
- Ensure that divergent views are noted in Disposition of Findings and Divergent Views templates

### ***Workstream Leads***

- Responsible for drafting the SAM, DoF, and Vetting deck, and ensuring each document conforms with program standards while in production cycle. Additionally responsible for quality of supervisory content
  - Use Workstream Lead Checklist to perform real-time QC checks on supervisory products and as evidence of the QC review
  - Workstream Lead Checklist must be posted to the relevant ExamSpace
  - Review Disposition of Findings and Divergent Views templates are accurate and complete and post to respective SharePoint location
- Workstream Leads are responsible for reviewing the Examiner Workprogram Memos to ensure that objectives in the scope memos are met, Information Security standards and pagination are followed, conclusions supported, issues have appropriate disposition of findings, and divergent views are recorded.

### ***Board Legal***

- Draft, in coordination with RRP Workstream Leads, PLG members and co-chairs, documents post vetting in preparation for pre-briefings, the final Board meeting/notation vote and other necessary meetings involving principals at the Federal Reserve.
  - The Board Package typically includes the Board memo, supervisory feedback letters, a joint-press release, and other documents as necessary.
  - Perform real-time QC checks on products to ensure rationale for decisions are carried through from each vetting and principal-level briefing.

### ***Reviewer – RRP Program Operations Team***

- Independently evaluate that established standards and processes are being followed and consistently applied to all supervisory products.
- Produce performance metrics trends that can be provided to RRP leadership and other key stakeholders (e.g., OOC, LISCC Oversight) as necessary.
  - Examples may include; data quality exceptions; missed timeframes for completion, incomplete workpapers or missing sign off
- The RRP Operations team should ensure proper placement of supervisory documents in document repositories, and where required, the Board's public website
- Utilize post vetting check-list to ensure all required steps have been executed
- Perform post review quality check to ensure necessary emails are made into records and stored in the appropriate document repositories.

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