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December 11, 2025

Chief Counsel's Office
Attention: Comment Processing
Office of the Comptroller of the Currency
400 7th Street, SW, Suite 3E-218
Washington, DC 20219

Re: Docket ID OCC-2025-0339—Rescission of OCC Guidelines Establishing Standards for Recovery Planning by Certain Large Insured National Banks, Insured Federal Savings Associations, and Insured Federal Branches

To Whom it May Concern:

I write to share my views on your request for commentary on contingency funding plan expectations and express my strong opposition to the proposed rescission of the OCC's Guidelines Establishing Recovery Planning Standards. I do so in my role as the Trustee of the New York State Common Retirement Fund (Fund), one of the largest public pension funds in the United States, which holds and invests the assets of the New York State and Local Retirement System on behalf of its 1.2 million members, retirees, and beneficiaries I am also commenting as part of my broader role as New York State's chief financial officer, responsible for superintending the fiscal concerns of the State, including the deposit of taxpayer monies for safekeeping and growth, and oversight of the State's contracts, payments, and payroll.

Contingency funding plans that consider a range of stress scenarios and contingency funding sources are extremely important to ensure that financial institutions can continue to operate during a liquidity crisis and are prepared to address shortfalls. These contingency funding plans ultimately help maintain the public trust, protect the institution's reputation, and ensure the stability of the financial system. Accordingly, I respectfully submit that the OCC should codify the funding plan expectations set forth in the 2010 Interagency Policy Statement on Funding and Liquidity Risk Management and the 2023 Addendum.

Likewise, recovery plans should remain an essential part of large national banks' risk assessment and contingency planning efforts. They identify risk and stress indicators (i.e., triggers) which, if breached, should always be escalated to senior management or the board of directors to initiate an appropriate response. In addition, they outline options "to restore a covered bank … to financial strength and viability in a timely manner."[1] Recovery plans are specific to each bank based on its unique risk profile, including its organizational and legal structure.

[1] 12 CFR Part 30, Appendix E, Section I(5) (Definitions)

They require banks to examine potential exigencies and analyze material entities and affiliate relationships, critical operations, core business lines, and core management information systems to determine how they may be impacted by various stressors. Recovery plans require escalation procedures to ensure transparency and identify responsibilities of a bank's management and board, respectively, in the recovery planning process.

From an investor's perspective, recovery planning demonstrates that management and the board have assessed and will continue to assess the qualitative and quantitative indicators of risk and the existence of severe financial or nonfinancial stress. In addition, the OCC's recovery planning standards give investors the assurance that covered banks have considered and could implement a broad range of feasible options in case of a triggering event, which would allow the bank to remain viable and operational and "avoid liquidation or resolution."[2] A bank that has prepared a recovery plan in accordance with the OCC's standards augments investors' confidence that the bank can withstand certain shocks without requiring government assistance or imposing losses on shareholders through a disorderly failure.

Removing the OCC's recovery-planning standards would eliminate an important risk assessment process and the resulting written recovery plans that serve as valuable references and resources for banks in periods of financial and nonfinancial stress. Without these plans, banks may react in panic, which could include selling assets at a loss, scrambling for cash, and making hasty decisions that quickly destroy value and undermine investor and public confidence in banks and, more broadly, the nation's banking system. It would also leave regulators with less transparency into how a bank would stabilize itself during a crisis. Lastly, failure to have prepared recovery plans will delay a bank's identification and implementation of stabilizing measures.

Ultimately, the Dodd–Frank Act sought to ensure that even at the largest financial institutions, crises could be resolved without taxpayer-funded support or a destabilization of the economy. Eliminating the OCC's recovery planning standards will remove an important safeguard that militates against banks' failures to rigorously assess their risks and prepare accordingly.

As a long-term investor, the Fund does not view recovery planning as merely a procedural burden. It is a prudent corporate governance practice that protects shareholder value and preserves bank and market stability. The OCC's existing recovery planning guidance has enhanced risk management discipline and reduced systemic risk. Rescinding it now, especially after the multiple 2023 bank failures, will undermine bank and market confidence and risks jeopardizing national and international financial stability.

[2] 12 CFR Part 30, Appendix E, Section II.B.3 (Elements of recovery plan; Options for recovery)

I respectfully urge the OCC to retain these important recovery planning expectations for large insured national banks. The OCC's existing framework is an essential tool for ensuring that institutions can recover from stress events in an orderly manner, preserving value for shareholders and safeguarding the financial system as a whole.

Thank you for considering our views on this important matter.

Sincerely,

Thomas P. DiNapoli
New York State Comptroller