

118TH CONGRESS
2D SESSION

S. 3601

To amend the Financial Stability Act of 2010 to require the Financial Stability Oversight Council to consider alternative approaches before determining that a U.S. nonbank financial company shall be supervised by the Board of Governors of the Federal Reserve System, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 17, 2024

Mr. ROUNDS (for himself and Ms. SINEMA) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To amend the Financial Stability Act of 2010 to require the Financial Stability Oversight Council to consider alternative approaches before determining that a U.S. nonbank financial company shall be supervised by the Board of Governors of the Federal Reserve System, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Financial Stability
5 Oversight Council Improvement Act of 2024”.

1 **SEC. 2. FINANCIAL STABILITY OVERSIGHT COUNCIL.**

2 (a) IN GENERAL.—Section 113 of the Financial Sta-
3 bility Act of 2010 (12 U.S.C. 5323) is amended—

4 (1) in subsection (a)—

5 (A) in paragraph (1), by striking “The
6 Council” and inserting “Subject to paragraph
7 (3), the Council”; and

8 (B) by adding at the end the following:

9 “(3) INITIAL DETERMINATION.—The Council
10 may not vote on a proposed determination with re-
11 spect to a U.S. nonbank financial company under
12 paragraph (1) unless the Council first determines, in
13 consultation with the company and the primary fi-
14 nancial regulatory agency with respect to the com-
15 pany, that a different action by the Council or the
16 agency (including the application of new or height-
17 ened standards and safeguards under section 120),
18 or by the company under a written plan that is sub-
19 mitted promptly to the Council, is impracticable or
20 insufficient to mitigate the threat that the company
21 could pose to the financial stability of the United
22 States.”; and

23 (2) in subsection (f)(1), by striking “subsection
24 (e)” and inserting “subsections (a)(3) and (e)”.

1 (b) ADDITIONAL DUTIES.—Section 112(a)(2) of the
2 Financial Stability Act of 2010 (12 U.S.C. 5322(a)(2))
3 is amended—

4 (1) in subparagraph (M)(ii), by striking “and”
5 at the end;

6 (2) in subparagraph (N)(vi)(III), by striking
7 the period at the end and inserting a semicolon; and

8 (3) by adding at the end the following:

9 “(O) not later than 180 days after the
10 date of enactment of this subparagraph, and
11 once every 360 days thereafter, submit to the
12 Committee on Banking, Housing, and Urban
13 Affairs of the Senate and the Committee on Fi-
14 nancial Services of the House of Representa-
15 tives a report that—

16 “(i) identifies—

17 “(I) the planning materials relat-
18 ing to a threat to the financial sta-
19 bility of the United States that are
20 available for collection by, and dis-
21 semination to, member agencies; and

22 “(II) the potential gaps in plan-
23 ning activities with respect to a threat
24 to the financial stability of the United

1 States and the threats posed by those
2 gaps; and
3 “(ii) includes—
4 “(I) steps taken by the Council
5 to plan for a crisis with respect to the
6 financial stability of the United
7 States, which shall be consistent with
8 discussions by member agencies; and
9 “(II) a review of financial activi-
10 ties, products, and practices; and
11 “(P) after any closed meeting of the Coun-
12 cil, publicly release detailed minutes of that
13 meeting.”.

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