

119TH CONGRESS  
2D SESSION

# H. R. 7246

To establish the Climate Financial Risk Committee and Climate Financial Risk Advisory Committee on the Financial Stability Oversight Council.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 27, 2026

Mr. CASTEN (for himself, Ms. CASTOR of Florida, Mr. LIEU, Mr. MULLIN, Ms. BONAMICI, Ms. ANSARI, Mr. HUFFMAN, Ms. STANSBURY, Ms. VELÁZQUEZ, Ms. BROWNLEY, Mr. EVANS of Pennsylvania, Mr. MIN, and Mr. GOLDMAN of New York) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To establish the Climate Financial Risk Committee and Climate Financial Risk Advisory Committee on the Financial Stability Oversight Council.

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 “Addressing Climate  
5 Financial Risk Act of 2026”.

1 **SEC. 2. FINANCIAL STABILITY OVERSIGHT COUNCIL COM-**  
2 **MITTEES ON CLIMATE FINANCIAL RISK.**

3 (a) IN GENERAL.—Subtitle A of the Financial Sta-  
4 bility Act of 2010 (12 U.S.C. 5321 et seq.) is amended  
5 by inserting after section 121 (12 U.S.C. 5331) the fol-  
6 lowing:

7 **“SEC. 121A. CLIMATE FINANCIAL RISK COMMITTEE.**

8 “(a) ESTABLISHMENT.—There is established in the  
9 Council the Climate Financial Risk Committee, which  
10 shall—

11 “(1) support the Council in identifying priority  
12 areas for assessing and mitigating climate-related  
13 risks to the financial system;

14 “(2) serve as a coordinating body to share in-  
15 formation, facilitate the development of common ap-  
16 proaches and standards, and facilitate communica-  
17 tion across Council member agencies;

18 “(3) collaborate with the Office of Financial  
19 Research to compile climate and financial data from  
20 public sources and from member agencies of the  
21 Council, provide analytical tools and software, and  
22 otherwise assist member agencies of the Council in  
23 jointly analyzing potential financial stability risks;  
24 and

25 “(4) provide updates to the Council on the sta-  
26 tus of the efforts of the Council and its member

1 agencies to identify and address climate financial  
2 risk, including related to—

3 “(A) incorporating climate financial risk  
4 into regulatory and supervisory programs;

5 “(B) improving data and methodologies;

6 “(C) enhancing climate-related disclosures;

7 and

8 “(D) assessing climate-related risks to the  
9 financial stability of the United States.

10 “(b) MEMBERSHIP.—The Climate Financial Risk  
11 Committee shall consist of staff representatives from each  
12 of the member agencies of the Council and shall be led  
13 by the Deputy Assistant Secretary of the Council.

14 “(c) RESTRICTION ON TERMINATION.—The Climate  
15 Financial Risk Committee may not be terminated or modi-  
16 fied except pursuant to an Act of Congress.

17 **“SEC. 121B. ADVISORY COMMITTEE ON CLIMATE RISK.**

18 “(a) ESTABLISHMENT.—There is established in the  
19 Council the Advisory Committee on Climate Risk, which  
20 shall—

21 “(1) consult and assist the Council with gath-  
22 ering information on, conducting analysis of, and  
23 making recommendations to identify, assess, and  
24 mitigate climate-related risks to the financial sys-

1       tem, and other duties that the Climate Financial  
2       Risk Committee or the Council may assign; and

3           “(2) meet with the Council on a bimonthly  
4       basis.

5       “(b) MEMBERSHIP.—The Advisory Committee shall  
6       consist of not more than 30 members as follows:

7           “(1) 8 members who are climate science experts  
8       with a demonstrated record of peer-reviewed publica-  
9       tions and professional contributions to climate mod-  
10      eling, climate financial risk assessment, or related  
11      areas, of whom—

12           “(A) 2 shall be appointed by the Secretary  
13      of Energy;

14           “(B) 2 shall be appointed by the Adminis-  
15      trator of the Environmental Protection Agency;  
16      and

17           “(C) 4 shall be appointed by the Director  
18      of the National Science Foundation.

19       “(2) 8 members appointed by the Council who  
20      are experts in climate economics or climate financial  
21      risk, of whom not fewer than one member is an ex-  
22      pert in one of the following areas:

23           “(A) Insurance.

24           “(B) Capital markets.

25           “(C) Banking.

1 “(D) International financial markets.

2 “(E) Housing finance.

3 “(F) The perspective of asset owners.

4 “(3) 2 members from non-governmental re-  
5 search institutions that offer expertise in environ-  
6 mental or clean energy policy, appointed by the  
7 Council.

8 “(4) 2 members from consumer advocacy or  
9 labor union groups, appointed by the Director of the  
10 Consumer Financial Protection Bureau.

11 “(5) 4 members from investor networks or  
12 shareholder advocacy groups, appointed by the  
13 Chairman of the Securities and Exchange Commis-  
14 sion.

15 “(6) Relevant stakeholders from the financial  
16 services industry, commercial businesses, or other  
17 organizations, which shall not include any stake-  
18 holders from the oil or gas industry.

19 “(c) TERM.—The members of the Advisory Com-  
20 mittee shall be appointed for 3-year terms, except that the  
21 initial terms of the first members of the Advisory Com-  
22 mittee shall be staggered so that—

23 “(1) 8 members serve terms of 3 years;

24 “(2) 8 members serve terms of 2 years; and

25 “(3) 8 members serve terms of 1 years.

1       “(d) RESTRICTIONS ON REMOVAL.—A member of the  
2   Advisory Committee may not be removed prior to the expi-  
3   ration of the term of such member unless  $\frac{2}{3}$  of the heads  
4   of the member agencies of the Council vote in favor of  
5   such removal.

6       “(e) CONSULTATION.—The Council shall consult with  
7   the Advisory Committee in carrying out the requirements  
8   of this section.

9       “(f) MEMBER AGENCIES.—Each member agency  
10   should develop and make publicly available a strategy to  
11   identify and mitigate climate financial risk within the ju-  
12   risdiction of the member agency.

13       “(g) COORDINATION.—The Council shall—

14           “(1) facilitate the sharing of best practices on  
15       addressing climate financial risk across agencies  
16       with members serving on the Advisory Committee;  
17       and

18           “(2) assign the Office of Financial Research to  
19       conduct ongoing research into climate financial risk.

20       “(h) INCLUSION IN ANNUAL REPORT.—The Council  
21   shall include a section on climate financial risk in—

22           “(1) the annual report of the Council to Con-  
23       gress; and

24           “(2) if relevant, in any other report to Con-  
25       gress.

1 **“SEC. 121C. REPORT ON CLIMATE FINANCIAL RISK.**

2 “Not later than 270 days after the date of enactment  
3 of this section, and annually thereafter, the Council shall,  
4 in coordination with the Advisory Committee on Climate  
5 Risk established under section 121B and the Climate Fi-  
6 nancial Risk Committee established under section 121A,  
7 publish a report that—

8 “(1) assesses—

9 “(A) the potential impact of climate-re-  
10 lated risks on the financial stability of the  
11 United States;

12 “(B) the extent to which Federal and  
13 State financial regulatory agencies have suffi-  
14 cient expertise on climate financial risk;

15 “(C) the quality of data available to Coun-  
16 cil members to properly assess climate financial  
17 risk and any gaps in data that exist;

18 “(D) the extent to which property and cas-  
19 ualty insurance availability and affordability  
20 trends are affecting credit markets, housing fi-  
21 nance, and financial stability;

22 “(E) the extent to which nonbank financial  
23 companies and large, interconnected bank hold-  
24 ing companies supervised by the Board of Gov-  
25 ernors are engaging in safe and sound manage-  
26 ment of climate financial risks;

1           “(F) the degree of coordination among  
2           Federal and State financial regulatory agencies  
3           on climate financial risk;

4           “(G) the degree of coordination by Federal  
5           and State financial regulatory agencies with  
6           international financial regulatory authorities on  
7           climate financial risk;

8           “(H) how climate-related disclosure re-  
9           quirements in the United States compare to  
10          similar disclosure regimes in other countries;  
11          and

12          “(I) any other areas the Council deter-  
13          mines important; and

14          “(2) provides recommendations based on the as-  
15          sessments conducted under paragraph (1) to Federal  
16          and State financial regulatory agencies and to Con-  
17          gress on how to improve the ability of the financial  
18          regulatory system in the United States to identify  
19          and mitigate both the short- and long-term financial  
20          risks associated with climate change.”.

21          (b) TECHNICAL AND CONFORMING AMENDMENT.—  
22          The table of contents of the Dodd-Frank Wall Street Re-  
23          form and Consumer Protection Act in section 1(b) of that  
24          Act is amended by inserting after the item relating to sec-  
25          tion 121 the following:

“Sec. 121A. Climate Financial Risk Committee.



“Sec. 121B. Advisory Committee on Climate Risk.  
 “Sec. 121C. Report on climate financial risk.”.

1 **SEC. 3. UPDATE ON SUPERVISORY GUIDANCE ON CLIMATE**  
 2 **FINANCIAL RISK.**

3 (a) DEFINITION.—In this section, the term “Federal  
 4 banking agency” has the meaning given the term in sec-  
 5 tion 2 of the Dodd-Frank Wall Street Reform and Con-  
 6 sumer Protection Act (12 U.S.C. 5301).

7 (b) UPDATE.—Each Federal banking agency and the  
 8 National Credit Union Administration shall update appli-  
 9 cable supervisory guidance to include climate financial  
 10 risk, including credit, liquidity, market, operational, and  
 11 reputational risk to ensure that each institution supervised  
 12 by the Federal banking agency or the National Credit  
 13 Union Administration, as appropriate, with greater than  
 14 \$50,000,000,000 in assets appropriately identify and miti-  
 15 gate climate financial risk.

16 (c) COORDINATION.—The Financial Institutions Ex-  
 17 amination Council shall ensure that the guidance updated  
 18 under subsection (b) is—

- 19 (1) appropriately coordinated among the Fed-  
 20 eral banking agencies and the National Credit Union  
 21 Administration; and  
 22 (2) shared with State regulators.

1 **SEC. 4. UPDATE NONBANK SIFI DESIGNATION GUIDANCE.**

2       The Financial Stability Oversight Council shall up-  
3 date subpart B of part 1310 of title 12, Code of Federal  
4 Regulations, to specify how the Council will incorporate  
5 climate financial risk into determinations described in that  
6 subpart.

7 **SEC. 5. FEDERAL INSURANCE OFFICE REPORT ON INSUR-**  
8 **ANCE REGULATION AND CLIMATE FINANCIAL**  
9 **RISK.**

10       Not later than one year after the date of enactment  
11 of this Act, the Federal Insurance Office shall publish a  
12 report, which may be submitted along with the report de-  
13 scribed in section 6, that—

14           (1) assesses the potential impact of climate fi-  
15 nancial risk on the insurance sector in the United  
16 States;

17           (2) provides an update on the implementation  
18 of recommendations made by the 2023 report of the  
19 Federal Insurance Office titled “Insurance Super-  
20 vision and Regulation of Climate-Related Risks”;  
21 and

22           (3) recommends ways to modernize and improve  
23 regulation and supervision of climate financial risk  
24 by the insurance sector in the United States.

1 **SEC. 6. FEDERAL INSURANCE OFFICE DATA COLLECTION**  
2 **ON CLIMATE-RELATED RISKS.**

3 (a) IN GENERAL.—Not later than one year after the  
4 date of the enactment of this Act, the Federal Insurance  
5 Office, in consultation with the National Association of In-  
6 surance Commissioners and State insurance commis-  
7 sioners, shall publish a report on the homeowners insur-  
8 ance underwriting data described in subsection (b) for cal-  
9 endar years 2023 and 2024 to assess climate-related risks  
10 across State insurance markets and how such risks could  
11 impact the financial stability of the United States.

12 (b) DATA DESCRIBED.—The data described in this  
13 subsection—

14 (1) shall be disaggregated by zip code;

15 (2) shall include granular data on premiums,  
16 policies, claims, losses, limits, deductibles, non-re-  
17 newals, and cancellations, consistent with the infor-  
18 mation requested under the “Federal Insurance Of-  
19 fice Climate-Related Financial Risk Data Collection  
20 for U.S. Homeowners Multi-Peril Underwriting  
21 Data” (88 Fed. Reg. 75380) as modified by the  
22 most recent National Association of Insurance Com-  
23 missioners Property & Casualty Insurance Market  
24 Intelligence Data Call; and

25 (3) shall be collected directly by the Federal In-  
26 surance Office from insurance companies, across all

1 lines of business of such insurance company, pursu-  
2 ant to section 313 of title 31, United States Code.

3 (c) DISSEMINATION.—Upon request, the Federal In-  
4 surance Office shall provide to the Committee on Finan-  
5 cial Services of the House of Representatives, the Com-  
6 mittee on Banking, Housing, and Urban Affairs of the  
7 Senate, or the State insurance commissioner with regu-  
8 latory authority over an insurance company the report re-  
9 quired under subsection (a), including the data described  
10 in subsection (b).

11 (d) FORM.—The Federal Insurance Office shall en-  
12 sure that the report required under subsection (a) does  
13 not include any personally identifiable information.

14 (e) SUBSEQUENT REPORTS.—Not later than 180  
15 days after December 31, 2025, and annually thereafter,  
16 in accordance with the requirements of this section, the  
17 Federal Insurance Office shall make publicly available a  
18 report on the homeowners insurance underwriting data de-  
19 scribed in subsection (b) for the calendar year preceding  
20 the date of the report.

21 **SEC. 7. SENSE OF CONGRESS RELATING TO IMPROVING**  
22 **GLOBAL COORDINATION.**

23 It is the sense of Congress that relevant Federal fi-  
24 nancial regulatory agencies and the Department of the

1 Treasury, including the Federal Insurance Office, as ap-  
2 plicable, should—

3           (1) join the Network for Greening the Financial  
4       System and other international organizations fo-  
5       cused on climate financial risk;

6           (2) formally join the Task Force on Climate-  
7       Related Financial Risks of the Basel Committee on  
8       Banking Supervision; and

9           (3) work with international regulators on cli-  
10      mate financial risk whenever possible, consistent  
11      with United States law.

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