

119TH CONGRESS  
1ST SESSION

# S. 3578

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.

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## IN THE SENATE OF THE UNITED STATES

DECEMBER 18, 2025

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

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## 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 2025”.

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

2 Section 113 of the Financial Stability Act of 2010  
3 (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)”.

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