

the working-class families tax cuts and deserves swift passage so we can deliver results for American families.

Mrs. BEATTY. Mr. Speaker, I yield myself the balance of my time.

H.R. 6644 represents an important first step, a strong bipartisan one, in our fight to ensure affordable, decent housing for everyone in America. It provides a critical foundation for us to end the affordable housing and homelessness crisis.

This bill would update and improve existing Federal housing programs by expanding local development opportunities and modernizing existing housing programs in communities across the country. It will also support community financial institutions to meet the housing needs in their communities.

I am pleased to advance this legislation to the floor with Ranking Member WATERS, Chairman HILL, Mr. FLOOD, and Mr. CLEAVER, and I am proud that it includes 20 housing provisions and five banking provisions championed by committee Democrats. This bill is a true testament, Mr. Speaker, to bipartisanship.

I, again, urge my colleagues to support this bill, and I yield back the balance of my time.

Mr. HILL of Arkansas. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, first, I have to say a big thank-you to Ranking Member WATERS; the ranking member of our subcommittee, Mr. CLEAVER; and the tireless leadership of MIKE FLOOD, the chair of our Subcommittee on Housing and Insurance. They have collaborated for a year to bring these proposals to the House floor today.

I reiterate that the linkage of housing and community banking is two sides of the same coin that leads to a better outcome, more choice, more accessibility, more affordability, and more housing choices for the American people.

This bill also has important HUD oversight, which I think is critical to make sure those who are tenants in HUD programs have the care, oversight, and safe and sound conditions they deserve.

Mr. Speaker, I also thank the staff on both sides of the aisle for their work in putting this bill together, particularly on the majority side, Ed Skala and Maura Woosley, for their collaboration on the banking provisions with their minority colleagues and the community banking provisions.

I urge Members on both sides of the aisle to provide a “yes” vote for this important banking and housing legislation.

Mr. Speaker, I yield back the balance of my time.

□ 1610

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arkansas (Mr. HILL) that the House suspend the rules and pass the bill, H.R. 6644, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. HILL of Arkansas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

#### FINANCIAL STABILITY OVERSIGHT COUNCIL IMPROVEMENT ACT OF 2025

Mr. HILL of Arkansas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3682) 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, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3682

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

*This Act may be cited as the “Financial Stability Oversight Council Improvement Act of 2025”.*

#### SEC. 2. FINANCIAL STABILITY OVERSIGHT COUNCIL.

*Section 113 of the Financial Stability Act of 2010 (12 U.S.C. 5323) is amended—*

*(1) in subsection (a)—*

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

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

*“(3) INITIAL DETERMINATION.—The Council may not vote on a proposed determination with respect to a U.S. nonbank financial company under paragraph (1) unless the Council first determines, in consultation with the company and the primary financial regulatory agency with respect to the company, that a different action by the Council or the agency (including the application of new or heightened standards and safeguards under section 120), or by the company under a written plan that is submitted promptly to the Council, is impracticable or insufficient to mitigate the threat that material financial distress at the company, or the nature, scope, size, scale, concentration, interconnectedness, or mix of the activities of the company, could pose to the financial stability of the United States.”; and*

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

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Arkansas (Mr. HILL) and the gentleman from Ohio (Mrs. BEATTY) each will control 20 minutes.

The Chair recognizes the gentleman from Arkansas.

GENERAL LEAVE

Mr. HILL of Arkansas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material on this measure.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HILL of Arkansas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of this fine bill offered by Mr. FOSTER and Mr. HUIZENGA. It is a bipartisan bill, Mr. Speaker, the Financial Stability Oversight Council Improvement Act, after a decade of collaboration across four Presidential administrations that has led to this consensus on this measure.

The Financial Stability Oversight Council, FSOC, created in the aftermath of the global financial crisis, plays an important role in understanding and examining nonbanks, and that is because many nonbanks, large nonbanks, are not subject to the same regulations and supervision as traditional banks, so the Congress created this process.

Unfortunately, its own structure, as composed by political appointees, can inhibit the Council’s ability to effectively critique fellow agencies or itself when monitoring potential systemic risk to financial stability by a large nonbank.

H.R. 3682 requires the FSOC to explore alternatives to designating a nonbank for enhanced supervision by the Federal Reserve. This is at the heart of the collaboration in this bill.

If a nonbank were improperly designated, it could hinder innovation and make the United States’ financial system less competitive as a result.

This bill will impose rigorous procedural guardrails and enhance due diligence protections and a stronger analytic framework before a firm can be designated as a systemically important financial institution, or SIFI.

I thank, again, the gentleman from Illinois (Mr. FOSTER) and the gentleman from Michigan (Mr. HUIZENGA) for their collaboration in producing this solid, bipartisan bill that will protect U.S. competitiveness and deliver financial stability consistent with FSOC’s mission, but do that in a thoughtful, analytic way that can support a review of systemic risk.

Mr. Speaker, I urge my colleagues to support the bill, and I reserve the balance of my time.

Mrs. BEATTY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3682, the Financial Stability Oversight Council Improvement Act of 2025, sponsored by Representative FOSTER.

Let me start by thanking the bill sponsor and our ranking member for our Financial Institutions Subcommittee for his leadership on these matters.

Representative FOSTER has helped raise the alarm regarding the financial stability threats posed by the AI boom. He has introduced additional bills that would strengthen our financial stability, including one to reverse Trump’s dangerous budget and staffing cuts to the Financial Stability Oversight Council and Office of Financial Research.

Mr. FOSTER introduced another bill to close a regulatory gap to oversee third-party vendors used by credit unions and the GSEs. I know Republicans have some concerns with the former, but the latter bill has bipartisan support in the Senate and is timely. Given how our community financial institutions increasingly rely on these vendors, helping them access technology to compete, the least we can do is ensure that there is good oversight to address vulnerabilities like cybersecurity threats.

Turning to this bill, H.R. 3682, let's step back and remember why we have a Financial Stability Oversight Council in the first place. Congress established FSOC following the 2008 global financial crisis to close regulatory gaps and enhance oversight of large, nonbank financial firms like AIG or Lehman Brothers that can pose a threat to our financial stability.

Congress gave FSOC various tools, including the power to designate a large nonbank company as a systemically important financial institution for enhanced oversight and regulation. In Trump's first term, they severely weakened the nonbank designation process. In a letter, former Treasury Secretaries Geithner, Lew, and Yellen, along with former Fed Chair Bernanke, warned: "These changes would make it impossible to prevent the build-up of risk in financial institutions whose failure would threaten the stability of the system as a whole."

Biden's FSOC addressed these concerns and improved procedures for designations, while importantly ensuring there is due process and opportunities to consider alternatives to designation that might better mitigate systemic risks. They also made clear that the Council should not prioritize designation over other options.

Mr. FOSTER will make sure that FSOC gives a company and its primary regulators an opportunity to present alternatives to be promptly considered by the Council; otherwise, they may proceed and follow the regular procedures to designate a firm if need be.

The bill also allows FSOC to revise and waive these considerations if doing so would promote financial stability. Given all of that, Mr. Speaker, I will support H.R. 3682, and I reserve the balance of my time.

Mr. HILL of Arkansas. Mr. Speaker, I yield 4 minutes to the gentleman from Michigan (Mr. HUIZENGA), who is the vice chairman of our full committee and the author of this important bill.

Mr. HUIZENGA. Mr. Speaker, I thank my friend and colleague, Mr. FOSTER, on the other side for working on this.

Mr. Speaker, I rise today in strong support of Mr. FOSTER's legislation, the Financial Stability Oversight Council Improvement Act, and urge its immediate adoption.

Mr. Speaker, in response to the 2008 financial crisis, Congress, under the Dodd-Frank Act, created the Financial

Stability Oversight Council, known as FSOC, as the chairman was talking about, and tasked them with preventing systemic risk. It was absolutely a worthwhile and needed endeavor.

However, in the early years, the FSOC was given broad-reaching authorities to designate nonbanks as systemically important financial institutions, otherwise known as SIFIs.

During President Trump's first administration, the FSOC moved to an activities-based approach in 2019, which I think was an appropriate response in a post-MetLife court case world where the Federal Government lost because of aggressive overreach. In fact, the judge used the phrase "excessive and capricious."

Four years later in 2023, under former President Biden, I believe the FSOC snapped right back into using those faulty analytical frameworks for identifying and dealing with systemic risks.

Just last week, in testimony before the House Committee on Financial Services, Treasury Secretary Bessent emphasized on multiple occasions that the so-called activities-based approach would be preferred.

We agree.

□ 1620

Unfortunately, this back-and-forth guidance has not allowed businesses to plan for the future or make new investments.

Mr. Speaker, why does a SIFI designation actually matter? Many people watching might ask themselves that. Well, as history has taught us, it is a broad-reaching issue that can have some very negative consequences. Excessive regulatory scrutiny and additional costs can change the way nonbanks conduct business.

Mr. Speaker, we cannot continue applying banklike regulations to nonbanks that have fundamentally different business models and roles within the American economy.

The Financial Stability Oversight Council Improvement Act, on which I am a proud co-lead with Mr. FOSTER, makes a critical improvement to the current law.

Before a vote to designate a financial company as a SIFI, the FSOC must first consult with the company and then its primary regulator to determine whether alternative actions that could be proposed would be sufficient or insufficient to address risks to U.S. financial stability.

Well, amazingly, Mr. Speaker, those two things didn't exist previously. There was no consultation or discussion with the companies, and there was no consultation with those regulators. That was a flaw. Importantly, the Council may not then vote on a proposed designation unless this determination is made.

Let me remind my colleagues that the SIFI designation process has been flawed from the start. First, it targeted

individual companies for designation without any process or notice.

Second, it failed to evaluate whether designation would actually mitigate risks or weigh the costs and benefits to the company, its shareholders, and ultimately the financial system.

Third, the old system failed to give SIFI designees due process or an opportunity to address the perceived risk before designation. As a reminder, the MetLife case took years to settle.

Lastly, it failed to incorporate the views of the primary regulator, who typically would have better insight into a company's financial standing.

Mr. Speaker, I believe H.R. 3682 adequately addresses these concerns and improves the Council's approach to addressing financial stability risks while creating a stronger, more predictable, and more stable regulatory environment for all.

Mr. Speaker, I again thank my colleague for yielding, and I urge my colleagues to support the Financial Stability Oversight Council Improvement Act.

Mrs. BEATTY. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. FOSTER), the ranking member of the Subcommittee on Financial Institutions and the sponsor of this bill.

Mr. FOSTER. Mr. Speaker, I rise in support of the FSOC Improvement Act.

Following the 2008 financial crisis, Congress enacted the Dodd-Frank Wall Street Reform and Consumer Protection Act to protect working families, taxpayers, and the broader economy from consequences of unchecked financial risk.

Dodd-Frank created the Financial Stability Oversight Council, or FSOC, to identify risks to financial stability, promote market discipline, and respond to emerging threats to our economy.

FSOC brings together the heads of 15 financial regulatory bodies, giving it a unique, systemwide view of the American financial system. Among its authorities is the ability to designate certain nonbank financial companies as systemically important financial institutions, or SIFIs, when their activities or potential failure pose significant risk to financial stability.

Past attempts by FSOC to designate an entity as systemically important, however, have been controversial and short-lived. In 2013 and 2014, FSOC designated four nonbank firms, but those designations were later rescinded following legal challenges, corporate restructuring, and policy shifts across administrations.

Since its creation, Congress and administration officials have debated whether FSOC should focus on mitigating the specific activities that pose the greatest risk, or if FSOC should take a broader, entity-wide view of the firm's risk profile. Both activities-based and entity-based approaches can be appropriate, depending on circumstances.

As someone who was present on the Financial Services Committee during

the global financial crisis, I recall vividly Fed Chair Bernanke referring to AIG as a giant, well-run insurance company with a hedge fund grafted onto it, where the risk was concentrated.

In some cases, risks identified by FSOC may be addressed more effectively through action taken by the company itself, by FSOC, or through its primary regulator. My bipartisan bill, the FSOC Improvement Act, promotes a more consistent and transparent process for a SIFI designation by clarifying that FSOC should work with a firm and its primary regulator to attempt to mitigate the risks of specific activities before designating the company as a whole as systemically important.

Regulators are encouraged to use the full range of available tools and proceed to designation only when other forms of activity-based mitigation are found to be ineffective.

Through activity-based mitigation, FSOC will work with firms and their primary regulators to address risks more quickly and effectively, drawing on the expertise of the regulatory bodies who work most closely with the specific firms and industries.

Importantly, this legislation fully preserves FSOC's authority to take swift action in emergency situations and does not alter the authorities of FSOC's member agencies to take enforcement actions. If an emergency arises, FSOC can march in and, with a few quick votes, designate a firm.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mrs. BEATTY. Mr. Speaker, I yield an additional 30 seconds to the gentleman from Illinois.

Mr. FOSTER. Mr. Speaker, this bill strengthens FSOC's capability to execute its mission by improving consistency, accountability, and outcomes for our financial system.

I appreciate also Ranking Member WATERS' support for this bill in committee and urge my colleagues to support this legislation.

Mr. HILL of Arkansas. Mr. Speaker, I include in the RECORD the CBO estimate on this bill.

EFFECTS ON DIRECT SPENDING AND REVENUES OF LEGISLATION CONSIDERED UNDER SUSPENSION OF THE RULES IN THE HOUSE OF REPRESENTATIVES WEEK OF FEBRUARY 9, 2026

Bill Number	Title	Effect on Direct Spending	Effect on Revenues	Additional Information on Direct Spending and Revenue Effects
H.R. 3682	Financial Stability Oversight Council Improvement Act of 2025, as amended.	Increase by Less Than \$500K.	Increase by Less Than \$500K.	Would change deficits by less than \$500K, direction unknown.

Source: Congressional Budget Office.

Mr. HILL of Arkansas. Mr. Speaker, I am prepared to close, and I reserve the balance of my time.

Mrs. BEATTY. Mr. Speaker, I yield myself the balance of my time to close.

Mr. Speaker, at a time when threats to our financial stability are growing, Congress should be doing more to address these concerns, including closing oversight gaps regarding third-party vendors, advancing deposit insurance reform and, yes, holding the President accountable for all of the ways his corruption and chaos erodes trust and stability.

Again, I thank Representative FOSTER for his leadership on promoting financial stability. I also appreciate the way he improved this bill, which I will support, and I yield back the balance of my time.

The SPEAKER pro tempore. Members are reminded to refrain from engaging in personalities toward the President.

Mr. HILL of Arkansas. Mr. Speaker, I yield myself the balance of my time to close.

Mr. Speaker, I thank the gentleman from Illinois and his collaboration with the gentleman from Michigan to tackle and bring definition to something that has been a big issue for the past decade, which is what is the proper method, style, and oversight of designating a nonbank a systemically important financial institution.

I congratulate them on their bipartisan work. For the reasons I have stated, I urge a "yes" vote, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arkansas (Mr. HILL) that the House suspend the rules and pass the bill, H.R. 3682, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

BRINGING THE DISCOUNT WINDOW INTO THE 21ST CENTURY ACT

Mr. HILL of Arkansas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3390) to amend the Federal Reserve Act to require the Board of Governors of the Federal Reserve System to carry out a review of discount window operations and to implement improvements to such operations, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3390

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Bringing the Discount Window into the 21st Century Act".

SEC. 2. REVIEW OF DISCOUNT WINDOW OPERATIONS.

Section 10 of the Federal Reserve Act (12 U.S.C. 241 et seq.) is amended—

(1) by redesignating paragraph (12) as paragraph (11); and

(2) by adding at the end the following:

"(12) REVIEW OF DISCOUNT WINDOW OPERATIONS.—

"(A) IN GENERAL.—Not later than 60 days after the date of enactment of this paragraph, the Board of Governors shall commence a review of the discount window lending programs of the Federal reserve banks (the 'discount window'), and shall complete such review not later than 240 days after the date of enactment of this paragraph.

"(B) CONTENTS.—The review required by subparagraph (A) shall include a consideration of—

"(i) the effectiveness of the discount window in providing liquidity to financial institutions, including in times of financial stress;

"(ii) whether the technology infrastructure, including means of communications, are sufficient to support the timely provision of liquidity, including in times of financial stress;

"(iii) the effectiveness of cybersecurity measures implemented with respect to discount window operations;

"(iv) the effectiveness of communications between Federal reserve banks, financial institutions, the Board of Governors, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, and the Secretary of the Treasury regarding discount window operations;

"(v) the effectiveness of the Board of Governors in providing oversight of the discount window and in ensuring consistent access to the discount window across the Federal Reserve System;

"(vi) how the discount window interacts with other providers of liquidity, including the Federal Home Loan Banks, during both normal operations and times of financial distress;

"(vii) the effectiveness of existing discount window operating hours and whether such hours should be expanded, taking into account the interaction between discount window operating hours and the operating hours of payment systems of the Federal reserve banks, such as the Fedwire Funds Service and FedNow Service;

"(viii) the impact of mobile banking and instant communications technology on depositor behavior and liquidity risk posed to financial institutions, including how the discount window can—

"(I) help financial institutions better respond to rapid liquidity shortfalls; and

"(II) prevent broader financial instability; and

"(ix) the effectiveness of the discount window in light of the stigma associated with its usage, ways to reduce such stigma, and ways to improve access, operational efficiency, transparency, and timeliness of the process for financial institutions seeking advances, including on the pricing and other terms of such advances.

"(C) REMEDIATION PLAN.—After the Board of Governors completes the review required by subparagraph (A), the Board of Governors, in consultation with the Federal reserve banks, shall—

"(i) identify deficiencies with the discount window and areas for enhancing discount window effectiveness; and

"(ii) develop a written plan to remediate the identified deficiencies and implement the identified enhancements, which shall include—

"(I) an identification of actions that will be taken to enhance discount window effectiveness and remediate identified deficiencies;

"(II) timelines and milestones for implementing the plan and measures to demonstrate how the implemented improvements will be maintained on an ongoing basis; and

"(III) measures of managing and controlling any deficiencies and current operations until the plan is implemented in full.

"(D) REPORT TO CONGRESS ON REVIEW AND PLAN.—

"(i) IN GENERAL.—Not later than 365 days after the date of enactment of this paragraph, the Board of Governors shall submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing—

"(I) the findings of the review required by subparagraph (A); and