

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

“(II) the remediation plan required by subparagraph (C).

“(ii) CONSULTATION.—Before submitting the report required by clause (i), the Board of Governors shall—

“(I) provide a copy of the proposed report to the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Secretary of the Treasury; and

“(II) provide the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Secretary of the Treasury with an opportunity to provide feedback on the report.

“(iii) TESTIMONY.—The Chairman of the Board of Governors shall, at the semi-annual hearing required under section 2B, testify with respect to the contents of the report required under this subparagraph.

“(E) ANNUAL REPORTS TO CONGRESS.—

“(i) REPORTS BY THE BOARD.—The Board of Governors shall submit an annual 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 a review of the effectiveness of discount window operations and a progress report on the actions taken to implement the identified enhancements described in subparagraph (C).

“(ii) REPORTS BY THE INSPECTOR GENERAL.—The Inspector General of the Board of Governors of the Federal Reserve System and the Bureau of Consumer Financial Protection shall submit an annual 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 a report on the progress of the Board of Governors in implementing the remediation plan required by subparagraph (C).

“(F) CONFIDENTIAL REPORT INFORMATION.—Any report required under this paragraph may contain a confidential annex containing information that, if made public, could—

“(i) impact monetary policy, financial stability, or cybersecurity; or

“(ii) significantly endanger the financial stability of any financial institution.

“(G) REPEAL.—This paragraph shall be repealed on the date on which the Board of Governors notifies the Congress and publishes on a public website of the Board of Governors that the remediation plan required under subparagraph (C) has been fully implemented.”.

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 in which to revise and extend their remarks and include extraneous material for the RECORD on this bill.

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. I rise today in support of Ms. DE LA CRUZ's bill, the Bringing the Discount Window into the 21st Century Act.

It is critical that our banks have the ability to have emergency liquidity in the case of a crisis or having liquidity intraday in the banking day without a stigma. These are challenges. They were challenges before the financial crisis, but it continues today.

This bill allows banks to keep credit flowing through the economy while reducing risks that a panic-induced bank run would lead to unnecessary bank failures.

□ 1630

The discount window has been underused and burdened by operational difficulties and stigma. We have seen that on this House floor in our economy, most recently in the failures of Silicon Valley Bank and Signature Bank in the spring of 2023, where fear of a market reaction and outdated technology delayed the use of the discount window when it was needed most.

It is critical that the Federal Reserve learn from these mistakes of the past and allow the discount window to fulfill its role as the primary tool for stabilizing the financial system in a time of stress.

Representative DE LA CRUZ's bipartisan bill would do just that by directing the Fed to conduct a review of the discount window, submit a plan to Congress with concrete, actionable reforms, and then provide regular updates on its implementation.

For example, H.R. 3390 explicitly directs the Federal Reserve to evaluate whether extending operating hours and improving technology would make the discount window more accessible and thereby more effective. In requiring the Fed to make changes based on these findings, H.R. 3390 goes beyond a study bill and would meaningfully address deficiencies that would make the American financial system stronger and more stable.

Mr. Speaker, I thank the gentlewoman from south Texas (Ms. DE LA CRUZ) for her leadership on this important issue to make sure the Fed is ready and the discount window use is appropriate for the 21st century, where money now moves, Mr. Speaker, at the press of a button.

Mr. Speaker, I urge my colleagues to support this 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. 3390, the Bringing the Discount Window into the 21st Century Act, sponsored by Representative DE LA CRUZ.

It has been almost 3 years since we saw the dramatic failure of Silicon Valley Bank, Signature Bank, and First Republic Bank, representing the second, third, and fourth largest bank failures in United States history.

Silicon Valley Bank was the fastest bank run ever, with \$42 billion of deposits withdrawn on a Thursday and customers trying to pull out another \$100 billion the next morning when the bank failed.

Upon learning of Silicon Valley's failure, Ranking Member WATERS organized Member briefings with the Treasury Secretary and banking regulators. We encouraged Biden's regulators, led by former Secretary Yellen, to use

their emergency tools to mitigate the damage, which they successfully did.

We worked with our former chairman, Mr. McHenry, and launched a bipartisan investigation to conduct oversight and understand what went wrong. We received reports and supervisory documents, and hearings were also held.

Based on the lessons we learned, I and my Democratic colleagues, including Representatives WATERS, SHERMAN, LYNCH, GREEN, CASTEN, TLAIB, and PETERSEN, introduced a wave of commonsense bills to promote safety, soundness, and accountability.

Since then, we have been pushing for action that is long overdue, and I am glad that Chairman HILL agreed to include several of our post-Silicon Valley Bank bills in the housing package.

We have other good reforms for community financial institutions in that packet, but another most critical issue Congress must address is the need to update our deposit insurance framework.

I appreciate that Chairman HILL recently held a hearing on Representative WATERS' bill, H.R. 4551, the Employee Paycheck and Small Business Protection Act. We have had a good discussion on the pros and cons of different approaches.

After Silicon Valley Bank's failure, community banks watched small businesses move their deposits to the biggest banks to make sure that they could pay their workers in good times or bad.

There have been at least 37 bank failures since 2007, including a recent one in Oklahoma, that were too small for regulators to use emergency tools, and unlike Silicon Valley Bank's customers, small business depositors lost money through no fault of their own.

Representative WATERS' bill would take the data-driven approach that Chairman HILL prefers to study and then update our deposit insurance framework to allow more business payment accounts to be insured based on that research.

This effort has strong bipartisan support, including that of the Vice President and Treasury Secretary, so I hope we can advance those reforms soon for community financial institutions, midsized banks, and small businesses and their workers.

Turning back to the bill that we are considering here, H.R. 3390, I have heard from minority deposit institutions and other community banks about various challenges that they have had in accessing Fed facilities, including the discount window in 2023.

This is a commonsense bill to ensure the Federal Reserve improves its discount window to provide emergency liquidity to banks when they need it.

I appreciate that the chairman and sponsor worked with Representative WATERS and Representative FOSTER to include our amendments to help ensure that we learn how technology may require faster emergency liquidity deployment, as well as understanding

barriers like stigma that need to be addressed to improve the functioning of the discount window.

Mr. Speaker, I urge Members to support H.R. 3390, and I reserve the balance of my time.

Mr. HILL of Arkansas. Mr. Speaker, I include in the RECORD the CBO estimate for 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. 3390	Bringing the Discount Window into the 21st Century Act, as amended.	None	Reduce by at Least \$500K.	Would increase deficits by more than \$500K.

Source: Congressional Budget Office.

Mr. HILL of Arkansas. Mr. Speaker, I yield 3 minutes to the gentlewoman from Texas (Ms. DE LA CRUZ), the author of this important legislation.

Ms. DE LA CRUZ. Mr. Speaker, I thank Chairman HILL for yielding.

Mr. Speaker, today, I rise in support of my bill, H.R. 3390, the Bringing the Discount Window into the 21st Century Act of 2025, which has received broad bipartisan support in the Financial Services Committee.

H.R. 3390 addresses needed improvements for the Federal Reserve's discount window operations and technology to ensure it is better equipped to serve depository institutions, including community banks, which strengthens the resiliency of our U.S. financial system.

The Federal Reserve's important role as the lender of last resort is supported by the Fed's discount window. In times when depository institutions need liquidity, they can rely on the discount window to fulfill short-term liquidity needs by pledging high-quality collateral such as U.S. Treasuries in return for cash.

Unfortunately, as we saw most recently in the 2023 bank failures, stigma remains, which can cause the discount window to be underused or banks to delay accessing it for fear of market reactions.

Bringing the Discount Window into the 21st Century Act ensures that Congress acts on the bipartisan consensus to modernize the Federal Reserve's discount window operations and reduce the stigma of accessing it.

H.R. 3390 does so by requiring the Federal Reserve to conduct a review of the discount window to identify deficiencies and develop a remediation plan. This review will identify improvements in all aspects of discount window operations, including technology, operating hours, stigma, and interaction with other providers of liquidity, including the Federal Home Loan Banks, during both normal operations and times of financial stress.

By improving efficiencies in the U.S. banking system, we are ensuring homeowners, small businesses, and farmers can access capital from their financial institutions when they need it most.

Mr. Speaker, I urge my colleagues to join me in support of H.R. 3390.

□ 1640

Mrs. BEATTY. Mr. Speaker, I yield 2½ minutes to the gentleman from Illinois (Mr. FOSTER), who is also the ranking member of the Subcommittee on Financial Institutions.

Mr. FOSTER. Mr. Speaker, I rise in support of this legislation, which requires the Federal Reserve to conduct a comprehensive review of discount window operations, including its technological infrastructure, cybersecurity, communications, real-time monitoring, and oversight mechanisms across the Federal Reserve System.

In 2023, we witnessed the most significant banking turmoil since the global financial crisis. During that period, record numbers of institutions turned to the discount window, borrowing at unprecedented levels with more than \$150 billion borrowed during the peak period.

The system held in large part because of the reforms and regulatory tools provided and implemented as part of the Dodd-Frank Act, but it came under stress.

I also appreciate the willingness of the legislation's sponsor to accept my amendment during the Financial Services Committee markup of this legislation. With my amendment, this bill recognizes that bank runs will now move at the speed of mobile online banking and instant communications. Soon, they will move at the speed of agentic AI.

The bank failures of 2023 showed that liquidity pressures can escalate in hours, not days, a speed that will only intensify with the rise of artificial intelligence and autonomous financial agents.

This legislation will require the Federal Reserve Board to develop a written plan to remedy deficiencies like those to be identified during the review process. This review and remediation will lead to more accessible, responsive, and secure discount window operations.

Mr. Speaker, I encourage my colleagues to support this bill.

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

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

Mr. Speaker, this bill will help ensure smaller banks can access the Federal discount window when they need it, which may be sooner rather than later, given that Trump's policies are once again raising the threat of another crisis.

Therefore, I urge Members to vote "yes," 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, I thank the gentlewoman from south Texas for advancing

this bill. I thank the minority's consistent work to make sure that this is a bill that will substantially direct the Federal Reserve to make sure our discount window is effective and used by our financial institutions to enhance financial stability.

Mr. Speaker, I urge both sides of the aisle to vote "yes," 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. 3390, 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.

PRESSURE REGULATORY ORGANIZATIONS TO END CHINESE THREATS TO TAIWAN ACT

Mr. HILL of Arkansas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1531) to direct certain financial regulators to exclude representatives of the People's Republic of China from certain banking organizations upon notice of certain threats or danger, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1531

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 "Pressure Regulatory Organizations To End Chinese Threats to Taiwan Act" or the "PROTECT Taiwan Act".

SEC. 2. STATEMENT OF POLICY REGARDING THE EXCLUSION OF REPRESENTATIVES OF THE PEOPLE'S REPUBLIC OF CHINA FROM CERTAIN BANKING ORGANIZATIONS UPON NOTICE OF CERTAIN THREATS OR DANGER.

(a) IN GENERAL.—If the President, pursuant to section 3(c) of the Taiwan Relations Act (22 U.S.C. 3302(c)), informs the Congress of any threat to the security or the social or economic system of the people on Taiwan and any danger to the interests of the United States arising therefrom resulting from actions of the People's Republic of China, it is the policy of the United States to seek to exclude representatives of the People's Republic of China, to the maximum extent practicable, from participation in meetings, proceedings, and other activities of the following organizations:

- (1) The Group of Twenty.*
- (2) The Bank for International Settlements.*
- (3) The Financial Stability Board.*
- (4) The Basel Committee on Banking Supervision.*
- (5) The International Association of Insurance Supervisors.*
- (6) The International Organization of Securities Commissions.*

(b) POLICY ADVANCEMENT.—The Secretary of the Treasury, the Board of Governors of the Federal Reserve System, and the Securities and Exchange Commission shall take all necessary steps to advance the policy set forth in subsection (a).

(c) WAIVER.—The President may waive the application of subsection (a) with respect to an