



U.S. Chamber of Commerce

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February 9, 2026

To the Members of the U.S. House of Representatives:

The U.S. Chamber of Commerce supports H.R. 3682, the Financial Stability Oversight Council Improvement Act of 2025, sponsored by Rep. Bill Foster (D-IL) and Rep. Bill Huizenga (R-MI). This bipartisan legislation, approved by a 47-4 vote during the House Financial Services Committee markup on September 16, 2025, introduces essential reforms to FSOC's authority regarding nonbank financial companies.

H.R. 3682 would enhance the Financial Stability Oversight Council's (FSOC) process for designating a nonbank financial company as a Systemically Important Financial Institution (SIFI). The bill ensures FSOC considers all available tools, including direct consultations with a company and its primary regulator, before proposing to designate a company for heightened supervision.

The legislation would codify the activities-based approach to systemic risk, which focuses on financial activities across the system rather than individual companies. This approach allows primary regulators, who are most familiar with their industries, to lead in identifying and mitigating risks effectively.

H.R. 3682 would ensure that SIFI designation is used as a last resort. Designation imposes significant regulatory burdens by subjecting nonbank financial companies to Federal Reserve Board supervision. A nonbank financial company's designation could make the U.S. financial system less competitive and more vulnerable to economic shock.

Since the Dodd-Frank Act created FSOC in 2010, each administration has taken significantly different approaches to address systemic risk. H.R. 3682 would provide much needed statutory stability and transparency to FSOC's authority over nonbank financial companies, and we urge Congress to enact this important legislation.

Sincerely,

A handwritten signature in blue ink, appearing to read "M. Flood".

Mike Flood
Senior Vice President
Center for Capital Markets Competitiveness
U.S. Chamber of Commerce

cc: Mike Johnson, Speaker of the House

Steve Scalise, House Majority Leader

Hakeem Jeffries, House Minority Leader

Tom Emmer, House Majority Whip

Katherine Clark, House Minority Whip

French Hill, Chairman, House Financial Services Committee

Maxine Waters, Ranking Member, House Financial Services Committee

Bill Foster, House Financial Services Committee

Bill Huizenga, House Financial Services Committee