SPEECH

Remarks before the Financial Stability Oversight Council

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Thank you, Secretary Bessent. I am pleased to join you all at our final FSOC meeting of the year.

First, a word of gratitude. The annual report before us reflects a remarkable level of dedication, made all the more notable by shutdown-imposed limitations. I should like to extend special thanks to the drafting team assembled by FSOC — and to the SEC staff who worked cheek by jowl with them in preparing this report.

Of course, my thanks as always to Secretary Bessent, under whose leadership the Council is laying a strong foundation for the work ahead. I especially applaud the Council's emphasis on sustainable long-term economic growth. This focus will not displace our ongoing assessment of the U.S. financial system, nor will it diminish our monitoring of its stability. Rather, this new dimension recognizes that market resilience and growth are twin pillars, not competing imperatives, of our financial security.

The benefits of this framework abound in the 2025 annual report. By organizing our findings into key areas of focus, separating formal recommendations from

significant market developments that warrant monitoring, we have produced a clearer, more coherent picture of the system that we are charged to safeguard.

So, as we wind down one historic year and prepare for another, I am eager to build on our momentum, including a thoughtful review of the non-bank designation guidance. When firms face the prospect of arbitrary and capricious designation, as we have seen too often in the past, they cannot plan for growth or undertake strategic decisions. This risk impairs their ability to deploy capital efficiently and serve their customers effectively — outcomes that run completely counter to our shared objectives.

Furthermore, Federal Reserve supervision, whose only tool is capital standards, would bring a meaningless regulatory framework to asset managers, insurance companies, investment funds, and so forth. And we have seen how that has wound up in the past.

The American economy remains the world's greatest engine of growth and innovation. Our work should support, not undermine, that fundamental strength.

Finally, let me close by thanking Secretary Bessent once more for his steady leadership. I am grateful for the collaborative spirit that he brings to this Council, and I look forward to continuing our work in the coming year.

Thank you.

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