President Donald J. Trump has signed a Continuing Resolution through January 30th. Thanks to the President's decisive leadership in the face of radical left-wing obstructionism, the Department of the Treasury has now resumed normal operations.

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U.S. DEPARTMENT OF THE TREASURY

Remarks by Secretary of the Treasury Scott Bessent before the Financial Stability Oversight Council

December 11, 2025

As Prepared for Delivery

Introductory remarks:

Now, turning to our first agenda item, we will discuss the Council's annual report.

Since the first day of this Administration, we have focused on building Parallel Prosperity—an era of economic expansion where Wall Street and Main Street grow together. To that end, we have tirelessly pursued pro-growth policies to help unlock the potential available to all Americans when they are free to save, invest, innovate, build businesses, and drive their own economic destinies.

It is my firm belief that the Financial Stability Oversight Council plays an important role in ensuring that the financial system is contributing to this vision. Too often in the past, efforts to safeguard the financial system have resulted in burdensome and often duplicative regulations. Little thought was given to the harms of overregulation, the imbalance between costs imposed and benefits achieved, and the economic stagnation that can follow.

Our Administration is changing that approach. We understand that sustainable long-term economic growth and economic security are both essential to financial stability. Today, I will explain how the Council is prioritizing these concepts in its work, and how they are reflected in this year's annual report.

Economic growth underpins financial stability. Growth contributes to higher earnings and capital cushions for financial institutions that can serve as buffers against unexpected losses. Similarly, households and businesses with stronger balance sheets are more resilient to shocks, less likely to default on debts, and more likely to maintain consumption and

investment. Yet policymakers have not routinely considered the cumulative burdens of regulatory and supervisory regimes, the interactions among individual rules, or how a failure to modernize regulations can hurt both resilience and growth.

The work we are doing at FSOC will be amplified by the United States when we host the G20 in 2026. The main priority of our host year will be on promoting economic growth and deregulation, which will include focusing on policies that will increase global prosperity by removing harmful regulations and barriers to innovation.

The Council has a statutory duty to monitor financial regulatory proposals and developments. It also has a duty to make recommendations to enhance the integrity, efficiency, competitiveness, and stability of U.S. financial markets. To fulfill that obligation, the Council is working with member agencies to consider where aspects of the U.S. financial regulatory framework impose undue burdens and where they harm economic growth, thereby undermining financial stability.

Economic security is also a necessary condition for financial stability. In the national security context, "economic security" is defined as having a secure and resilient domestic production capacity, combined with reliable access to the global resources necessary to maintain an acceptable standard of living.

This concept of economic security must be integrated into the financial stability analysis and the Council's framework for understanding risks. Why? Because the fallout from decreasing living standards can contribute to financial instability.

Economic security and financial stability are bolstered by technologies that keep our financial system secure and financial regulation that incentivizes the flow of credit to strategic sectors.

The twin priorities of economic growth and economic security will guide the Council's future approach to identifying priorities, evaluating risks, and recommending regulatory or supervisory changes. The Council is operationalizing these priorities through interagency staff working groups, and we will share updates about their progress next year as the work takes shape.

This year's annual report also reflects the reorientation of the Council's priorities. In this report, we are shifting away from the past approach – where nearly every sector of the economy, major market, and major financial institution was described as a financial stability vulnerability. By introducing a new structure centered on fostering economic growth and security, we are focusing on the issues that matter most for enduring U.S. financial stability.