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Ahead of FSOC Meeting, Warren Presses Bessent on FSOC "Actively Sabotaging Its Own Authorities"

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Text of Letter (PDF)

Washington, D.C. – U.S. Senator Elizabeth Warren (D-Mass.), Ranking Member of the Senate Banking, Housing, and Urban Affairs Committee, sent a letter to U.S. Treasury Secretary and Chair of the Financial Stability Oversight Council (FSOC) Scott Bessent, ahead of the latest FSOC meeting detailing her concerns about FSOC's failure to identify and address risks to the stability of the U.S. financial system under his leadership.

"I am writing to express my concern with the apparent failure of the Financial Stability Oversight Council (FSOC), under your leadership, to execute its critical mission: identifying and addressing risks to the stability of the U.S. financial system," **wrote Ranking Member Warren.** "Over the course of 2025, the FSOC has met less frequently than it ever has before; meanwhile, at the rare meetings when it *does* convene, Wall Street deregulation is a standing agenda item, and the Council is actively sabotaging its own authorities."

The Ranking Member continued: "Taking this hands-off approach to financial stability would leave our financial system and economy at greater risk in any economic environment. But going down this path just as cracks are emerging in the financial system and yellow lights are flashing across our economy is especially reckless… The recent corporate bankruptcies of Tricolor, First Brands, and Renovo Home Partners could cause more than a billion dollars of losses for private credit lenders and banks. Given the poor underwriting and sloppy due diligence associated with all three blowups, there may be structural weaknesses in corporate credit markets that finance the riskiest business borrowers that are just beginning to rear their ugly head."

She concluded by pressing for information on FSOC's prior meetings this year and requesting confirmation that Secretary Bessent would provide his statutorily required testimony on FSOC's annual report by the end of next month should Banking, Housing, and Urban Affairs Committee Chairman Tim Scott invite him.

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