

119TH CONGRESS
1ST SESSION

H. R. 1910

To amend the Financial Stability Act of 2010 to require certain large banking institutions to have a Chief Risk Officer, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 6, 2025

Mr. CASTEN (for himself, Mr. SHERMAN, Mr. DAVID SCOTT of Georgia, Mr. GREEN of Texas, and Mr. TORRES of New York) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Financial Stability Act of 2010 to require certain large banking institutions to have a Chief Risk Officer, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Chief Risk Officer En-
5 forcement and Accountability Act”.

6 **SEC. 2. CHIEF RISK OFFICER.**

7 Section 165(h) of the Financial Stability Act of 2010
8 (12 U.S.C. 5365(h)) is amended—

9 (1) in paragraph (2)—

1 (A) by striking “that is a publicly traded
2 company and” each place such term appears;
3 and

4 (B) by inserting “, and appoint a chief risk
5 officer, as set forth in paragraph (4)” after “as
6 set forth in paragraph (3)” each place such
7 term appears;

8 (2) by redesignating paragraph (4) as para-
9 graph (7); and

10 (3) by inserting after paragraph (3) the fol-
11 lowing:

12 “(4) CHIEF RISK OFFICER.—

13 “(A) IN GENERAL.—A chief risk officer re-
14 quired by this subsection shall be appointed by
15 a company from among individuals with experi-
16 ence in identifying, assessing, and managing
17 risk exposures of large, complex financial firms.

18 “(B) RESPONSIBILITIES.—A chief risk of-
19 ficer shall be responsible for overseeing the fol-
20 lowing:

21 “(i) The establishment of risk limits
22 on an enterprise-wide basis and the moni-
23 toring of compliance with such limits.

24 “(ii) The implementation of and ongo-
25 ing compliance with the policies and proce-

1 dures establishing risk-management gov-
2 ernance, risk-management procedures, and
3 risk-control infrastructure for the global
4 operations of the company.

5 “(iii) The development and implemen-
6 tation of the processes and systems for im-
7 plementing and monitoring compliance
8 with the policies and procedures described
9 under clause (ii), including—

10 “(I) processes and systems for
11 identifying and reporting risks and
12 risk-management deficiencies, includ-
13 ing regarding emerging risks, and en-
14 suring effective and timely implemen-
15 tation of actions to address emerging
16 risks and risk-management defi-
17 ciencies for the global operations of
18 the company;

19 “(II) processes and systems for
20 establishing managerial and employee
21 responsibility for risk management;

22 “(III) processes and systems for
23 ensuring the independence of the risk-
24 management function; and

1 “(IV) processes and systems to
2 integrate risk management and associ-
3 ated controls with management goals
4 and the compensation structure of the
5 company for the global operations of
6 the company.

7 “(iv) The management of risks and
8 risk controls within the parameters of the
9 company’s risk-control framework, and
10 monitoring and testing of the company’s
11 risk controls.

12 “(C) REPORTING RESPONSIBILITIES.—A
13 chief risk officer shall—

14 “(i) report directly to both the risk
15 committee described under paragraph (3)
16 and the chief executive officer of the com-
17 pany; and

18 “(ii) be responsible for reporting risk-
19 management deficiencies and emerging
20 risks to the risk committee described under
21 paragraph (3) and resolving risk-manage-
22 ment deficiencies in a timely manner.

23 “(D) VACANCIES.—

24 “(i) NOTIFICATION TO REGU-
25 LATORS.—With respect to a chief risk offi-

1 cer required by this subsection, if the office
2 of a chief risk officer becomes vacant, the
3 company shall—

4 “(I) not later than 24 hours after
5 such vacancy occurs, notify the pri-
6 mary financial regulatory agency of
7 the company, the primary financial
8 regulatory agency of any depository
9 institution subsidiary of the company,
10 and any State agency with supervisory
11 authority over the company or any de-
12 pository institution subsidiary of the
13 company of such vacancy; and

14 “(II) not later than 7 days after
15 such vacancy occurs, submit a plan to
16 the primary financial regulatory agen-
17 cy of the company, the primary finan-
18 cial regulatory agency of any deposi-
19 tory institution subsidiary of the com-
20 pany, and any State agency with su-
21 pervisory authority over the company
22 or any depository institution sub-
23 sidiary of the company on how the
24 company will search for and promptly

1 hire a well-qualified chief risk officer
2 to fill the vacancy.

3 “(ii) FAILURE TO FILL VACANCY.—

4 With respect to a vacancy described under
5 clause (i), if the company does not fill the
6 vacancy within 60 days of the vacancy oc-
7 ccurring—

8 “(I) the company shall notify the
9 public, including on the website of the
10 company, that the vacancy has existed
11 for more than 60 days; and

12 “(II) the total assets of the com-
13 pany may not exceed the total assets
14 of the company on the date the va-
15 cancy occurred until such time as the
16 vacancy is filled.

17 “(5) APPLICATION TO LARGE BANKS WITH NO
18 BANK HOLDING COMPANY.—The primary financial
19 regulatory agencies shall issue regulations requiring
20 each bank that does not have a bank holding com-
21 pany and that has total consolidated assets of not
22 less than \$50,000,000,000 to establish a risk com-
23 mittee, as set forth in paragraph (3) and appoint a
24 chief risk officer, as set forth in paragraph (4).

1 “(6) PRIMARY FINANCIAL REGULATORY AGEN-
2 CY FOR CERTAIN NONBANK FINANCIAL COMPA-
3 NIES.—For purposes of this subsection, the primary
4 financial regulatory agency for a nonbank financial
5 company supervised by the Board of Governors shall
6 be the Board of Governors.”.

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