

119<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 3716

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IN THE SENATE OF THE UNITED STATES

DECEMBER 2, 2025

Received; read twice and referred to the Committee on Banking, Housing, and  
Urban Affairs

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## AN ACT

To amend the Federal Deposit Insurance Act to require reports on the use of the systemic risk authority applicable to winding up a failed insured depository institution, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Systemic Risk Author-  
3 ity Transparency Act”.

4 **SEC. 2. BANK FAILURE TRANSPARENCY RELATED TO SYS-**  
5 **TEMIC RISK EXCEPTION.**

6 (a) GAO REVIEW.—Section 13(c)(4)(G)(iv) of the  
7 Federal Deposit Insurance Act (12 U.S.C.  
8 1823(c)(4)(G)(iv)) is amended to read as follows:

9 “(iv) GAO REVIEW.—

10 “(I) IN GENERAL.—The Comp-  
11 troller General of the United States  
12 shall, not later than 60 days after a  
13 determination is made under clause  
14 (i), and again 180 days thereafter, re-  
15 view and report to the Congress on  
16 the determination under clause (i), in-  
17 cluding—

18 “(aa) the basis for the deter-  
19 mination;

20 “(bb) the purpose for which  
21 any action was taken pursuant to  
22 such clause;

23 “(cc) the likely effect of the  
24 determination and such action on  
25 the incentives and conduct of in-

1           sured depository institutions and  
2           uninsured depositors;

3           “(dd) any mismanagement  
4           by the executives and board of  
5           the insured depository institution  
6           that contributed to the failure of  
7           the insured depository institu-  
8           tion;

9           “(ee) a review of the com-  
10          pensation practices of the insured  
11          depository institution;

12          “(ff) any supervisory or reg-  
13          ulatory shortcomings with respect  
14          to the appropriate Federal bank-  
15          ing agency of the insured deposi-  
16          tory institution;

17          “(gg) any actions taken by  
18          the Federal banking regulators,  
19          Financial Stability Oversight  
20          Council, Department of the  
21          Treasury, and other relevant fi-  
22          nancial regulators in relation to  
23          the failure of the insured deposi-  
24          tory institution; and

1           “(hh) any additional rel-  
2           levant entities or activities that  
3           may have contributed to the fail-  
4           ure of the insured depository in-  
5           stitution, including with respect  
6           to auditing, accounting, credit  
7           rating agencies, investment bank  
8           underwriters, and emergency li-  
9           quidity options such as loans  
10          from the Federal reserve banks  
11          or advances through the Federal  
12          Home Loan Bank system.

13           “(II) RULE OF CONSTRUC-  
14          TION.—Nothing in this clause or a re-  
15          port issued pursuant to this clause  
16          may be construed to limit the author-  
17          ity of a Federal agency to enforce vio-  
18          lations of Federal statutes, rules, or  
19          orders.”.

20          (b) APPROPRIATE FEDERAL BANKING AGENCY RE-  
21          PORT.—Section 13(c) of the Federal Deposit Insurance  
22          Act (12 U.S.C. 1823(c)) is amended by adding at the end  
23          the following:

24                 “(12) APPROPRIATE FEDERAL BANKING AGEN-  
25          CY REPORT.—

1           “(A) IN GENERAL.—The appropriate Fed-  
2           eral banking agency of an insured depository  
3           institution about which a determination is made  
4           under paragraph (4)(G)(i) shall, not later than  
5           90 days after the date of such determination,  
6           and again 210 days thereafter, submit a report  
7           to the Congress that discloses the following:

8                   “(i) Subject to such redactions as the  
9                   appropriate Federal banking agency deter-  
10                  mines appropriate of personally identifiable  
11                  information about customers and other fi-  
12                  nancial institutions (as such term is de-  
13                  fined under section 11(e)(9)(D)), all—

14                           “(I) reports of examination and  
15                           inspection that relate to the failed in-  
16                           sured depository institution in the  
17                           previous 3-year period;

18                           “(II) formal communications of a  
19                           material supervisory determination  
20                           conveyed to the failed insured deposi-  
21                           tory institution in the previous 3-year  
22                           period; and

23                           “(III) any additional exam re-  
24                           ports and correspondence that the ap-  
25                           propriate Federal banking agency de-

1           termines may be relevant to the fail-  
2           ure of the insured depository institu-  
3           tion.

4           “(ii) An examination of any mis-  
5           management by the executives and board  
6           of the insured depository institution that  
7           contributed to the failure of the insured  
8           depository institution.

9           “(iii) Any supervisory or regulatory  
10          shortcomings by such appropriate Federal  
11          banking agency with respect to the insured  
12          depository institution.

13          “(iv) Any dynamics that the appro-  
14          priate Federal banking agency determines  
15          may have contributed to the failure of the  
16          insured depository institution.

17          “(v) Any supervisory, regulatory, or  
18          legislative recommendations such appro-  
19          priate Federal banking agency may have to  
20          improve the safety and soundness of simi-  
21          larly situated insured depository institu-  
22          tions, the banking system, and financial  
23          stability.

24          “(B) PROTECTION OF SENSITIVE INFOR-  
25          MATION.—

1           “(i) EFFECT ON PRIVILEGE.—The  
2 provision of any information by a Federal  
3 banking agency under this paragraph may  
4 not be construed as—

5                   “(I) waiving, destroying, or oth-  
6 erwise affecting any privilege applica-  
7 ble to the information; or

8                   “(II) waiving any exemption ap-  
9 plicable to the information under sec-  
10 tion 552 of title 5, United States  
11 Code (commonly known as the ‘Free-  
12 dom of Information Act’).

13           “(ii) TRANSPARENCY.—

14                   “(I) IN GENERAL.—A Federal  
15 banking agency shall publish mate-  
16 rials contained in a report required  
17 under subparagraph (A) to the fullest  
18 extent possible to promote trans-  
19 parency.

20                   “(II) CONSULTATION ON OMIT-  
21 TING MATERIALS.—If a Federal bank-  
22 ing agency determines particular ma-  
23 terials described under subclause (I)  
24 should not be published, the Federal  
25 banking agency shall consult with the

1 chair and ranking member of the  
2 Committee on Financial Services of  
3 the House of Representatives and the  
4 chair and ranking member of the  
5 Committee on Banking, Housing, and  
6 Urban Affairs of the Senate.

7 “(III) OMITTING MATERIALS.—

8 If, after the consultation required  
9 under subclause (II), the Federal  
10 banking agency determines there is a  
11 substantial public interest in not pub-  
12 lishing such materials, the Federal  
13 banking agency shall provide those  
14 materials to the Committee on Finan-  
15 cial Services of the House of Rep-  
16 resentatives and the Committee on  
17 Banking, Housing, and Urban Affairs  
18 of the Senate with a written expla-  
19 nation describing the reasons for not  
20 publishing those materials.

21 “(iii) PRIVILEGE.—For purposes of  
22 this subparagraph, the term ‘privilege’ in-  
23 cludes any work-product, attorney-client,  
24 or other privilege recognized under Federal  
25 or State law.

1           “(C) REPORT EXTENSION.—A Federal  
2 banking agency may extend a deadline de-  
3 scribed under subparagraph (A) for an addi-  
4 tional 60 days, if the Federal banking agency—

5           “(i) faces ongoing circumstances that  
6 require the Federal banking agency to  
7 prioritize activities to promote stability of  
8 the U.S. banking system; and

9           “(ii) notifies the Congress of such ex-  
10 tension and the reasons for such extension.

11           “(D) CONSOLIDATED REPORTS.—A Fed-  
12 eral banking agency may consolidate multiple  
13 reports required under this paragraph so long  
14 as the individual reports being consolidated all  
15 meet the timing requirements under this para-  
16 graph.

17           “(E) RULE OF CONSTRUCTION.—Nothing  
18 in this paragraph or reports or materials pro-  
19 vided pursuant to this paragraph may be con-  
20 strued to limit the authority of a Federal agen-

1           cy to enforce violations of Federal statutes,  
2           rules, or orders.”.

Passed the House of Representatives December 1,  
2025.

Attest:                   KEVIN F. MCCUMBER,  
*Clerk.*