

# **Title I – Financial Services Oversight Council Act of 2009**

## **Section-by-Section Analysis**

### **Section 101. Short Title**

### **Section 102. Financial Services Oversight Council Established**

This section establishes the Financial Services Oversight Council (“FSOC”), with the following membership: Secretary of the Treasury (who shall serve as the Chairman of the Council); Chairman of the Federal Reserve Board of Governors (“Board”); Director of the National Bank Supervisor (“NBS”) (or the Comptroller of the Currency and the Director of the Office of Thrift Supervision, until the functions of those agencies are transferred to the NBS); Director of the Consumer Financial Protection Agency; Chairman of the Securities and Exchange Commission; Chairman of the Commodity Futures Trading Commission; Chairperson of the Federal Deposit Insurance Corporation; and Director of the Federal Housing Finance Agency. This section also lists the FSOC’s purposes: to advise and make recommendations to enhance the integrity, efficiency, orderliness, competitiveness, and stability of our nation’s financial markets and maintain investor confidence; monitor the financial services marketplace to identify potential threats to the stability of the U.S. financial system; facilitate interagency information sharing and cooperation; advise the Board on designation of Tier 1 financial holding companies and systemically important financial market utilities; and to provide a forum for discussion and analysis of emerging issues and for resolution of jurisdictional disputes. This section also requires the Chairman of the Council to advise the President on the operations of the Council.

### **Section 103. Recommendations and Consultation**

This section authorizes the FSOC to recommend to the Board financial firms for designation as Tier 1 financial holding companies and to recommend financial market utilities and payment, clearing, and settlement activities as systemically important. This section also authorizes the Board to share information with the FSOC and requires it to consult with the FSOC prior to making such a designation or prescribing relevant rules or standards, and authorizes the FSOC to consult with other agencies and entities to carry out the provisions of this title.

### **Section 104. Financial Services Oversight Council Authority**

This section authorizes the FSOC to receive or request production of information from its member agencies, as necessary to monitor areas of potential risk in the U.S. financial system or otherwise carry out any of the provisions of this title. This section also allows the FSOC to require periodic reporting from U.S. financial firms to assess threats to financial stability (whenever possible, relying on information already being collected from the FSOC’s member agencies).

### **Section 105. Technical and Professional Advisory Committees**

This section authorizes the FSOC to appoint such special advisory, technical, or professional committees as may be useful in carrying out its functions.

**Section 106. Financial Services Oversight Council Meetings**

This section requires the FSOC to meet at least quarterly.

**Section 107. Assistance from Federal Agencies**

This section provides that the Secretary of the Treasury shall designate permanent staff to support the FSOC's functions and mission, and authorizes other departments and agencies to provide the FSOC with such services, funds, facilities, staff, and other support services as they may determine advisable.

**Section 108. Reports to Congress**

This section requires the FSOC to submit annual reports to the House Committee on Financial Services and the Senate Committee on Banking, Housing, and Urban Affairs identifying significant financial market developments and potential emerging risks.

**Section 109. Applicability of Certain Federal Laws**

This section clarifies that the Federal Advisory Committee Act shall not apply to the FSOC or any special advisory, technical, or professional committees that the FSOC appoints.