



Congressman
BYRON DONALDS



Florida's 19th District

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Donalds Addresses Potential Threats To The United States Financial System

WASHINGTON - Congressman Byron Donalds (R-FL) introduced [legislation](#) to require the Chairperson of the Financial Stability Oversight Council (FSOC), to provide contingency plans for outside risks that disrupt the timing of payment on Treasury securities.

The "[FSOC Backup Plan Act](#)" is the 73rd piece of legislation proposed by Congressman Donalds during the 118th Congress and seeks to address threats to the American financial system by ensuring market disruptions are properly accounted-for. Congressman Donalds released the following statement:

"Cyberattacks, terrorism, natural disasters, and the looming debt bubble all represent significant and legitimate potential market disruptions. Currently, FSOC does not produce backup plans in the event of these crises. It is imperative that our nation is proactively prepared for threats to our financial system."

SUMMARY:

- Directs the Chairperson of the Financial Stability Oversight Council (FSOC) to produce contingency plans for financial risks that disrupt the timing of payment on Treasury securities.
- No later than 180-days following the passage of the bill, the Chairperson shall submit a report that includes (1) contingency plans in the case of disruptions to the timing of payments for Treasury securities, (2) any recommendations by the FSOC on operational challenges that participants in the market may face in regards to Treasuries securities if payments are delayed, and (3) recommendations for making payments on Treasury securities if the US debt cannot make timely payments on all incoming debt obligations.
- The bill will be implemented while keeping in mind financial risks such as cyber attacks, terrorism, and other major risks to the US financial system.

BACKGROUND:

- The Financial Stability Oversight Council (FSOC) was established to improve financial regulatory collaboration and to address potential harms to the stability of the financial system.
- FSOC currently produces an annual report to the risks to the US financial system with recommendations for prevention.
- The Council outlines financial risks due to cybersecurity, terror attacks, natural disasters, and US debt.
- The FSOC does not produce backup plans in the event of one of the crises, only recommendations.

MORE:

- See graphics rollout [HERE](#).
- Read the bill in its entirety [HERE](#).

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