

# Financial Stability Oversight Council Releases Annual Report

December 4, 2019

**WASHINGTON** – The Financial Stability Oversight Council (Council) today voted unanimously to approve its 2019 annual report. The Council’s annual report describes, among other things, significant financial market and regulatory developments, potential emerging threats to U.S. financial stability, recommendations to promote U.S. financial stability, and the activities of the Council. The report was developed collaboratively by members of the Council and their agencies and staffs.

“This year’s annual report reflects the Council’s focus on financial stability and how to properly address those potential risks that could negatively affect the economy,” said Treasury Secretary Steven T. Mnuchin. “The Council received valuable input from all member agencies, and I am thankful for their contributions.”

The Council’s recommendations in the annual report include, but are not limited to, the following:

- In order to promote an effective response to cyber events, the Council recommends greater information sharing among government agencies, as well as between government and industry.
- In anticipation of the transition to a new alternative reference rate, the Council recommends that market participants formulate and execute transition plans and that any new instruments that reference LIBOR should include fallback language to mitigate risk in the event that LIBOR becomes unavailable.
- Continued coordination among federal and state regulators in order to collect data, identify risks, and strengthen oversight of nonbank financial companies involved in the origination and servicing of residential mortgages.
- The Council recommends that federal and state financial regulators continue to work together to evaluate regulatory overlap and duplication, modernize outdated regulations, and—where authority exists—tailor regulations based on the size and complexity of financial institutions.

View the [full report](#)  .

####