June 9, 2026

Jennifer M. Jones
Deputy Executive Secretary
Attention: Comments—RIN 3064-AG19
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

VIA ELECTRONIC SUBMISSION

RE: Notice of Proposed Rulemaking Implementing the GENIUS Act for FDIC-Supervised Permitted Payment Stablecoin Issuers and Insured Depository Institutions (RIN 3064-AG19)

Dear Deputy Executive Secretary Jones:

The Crypto Council for Innovation ("CCI") respectfully submits these comments in response to the Federal Deposit Insurance Corporation's ("FDIC") Notice of Proposed Rulemaking (the "Proposed Rule")[1] implementing the Guiding and Establishing National Innovation for U.S. Stablecoins Act (the "GENIUS Act").

I. Introduction

By way of background, CCI is a global alliance of industry leaders within the digital assets industry committed to promoting the advantages of digital assets while showcasing their potential for market transformation. CCI's members represent various sectors within the digital asset ecosystem and share a common objective: advocating for responsible global regulation of digital assets to unlock economic opportunities, enhance quality of life, promote financial inclusivity, safeguard national security, and counter illicit activities. CCI firmly believes that achieving these objectives necessitates well-informed, evidence-driven policy choices achieved through collaborative participation with regulators and policymakers.

CCI appreciates the opportunity to comment on the FDIC's Proposed Rule. The GENIUS Act represents landmark legislation for the U.S. digital asset industry and our nation, and an opportunity to cement American leadership in digital payments, strengthen the U.S. dollar, and protect the financial system and consumers. CCI respectfully urges the FDIC to implement the GENIUS Act in a manner consistent with those overarching legislative goals. To this end, CCI encourages the FDIC to work closely with Federal payment stablecoin regulators to promote

[1] *GENIUS Act Requirements and Standards for FDIC-Supervised Permitted Payment Stablecoin Issuers and Insured Depository Institutions*, 91 Fed. Reg. 18,534 (proposed Apr. 10, 2026).

interagency consistency and avoid a fragmented Federal regulatory landscape. A uniform Federal regulatory framework is critical to ensuring that payment stablecoins issued by one Federally qualified payment stablecoin issuer are no less safe or well supervised than those issued by another.

With these principles in mind, CCI submits targeted recommendations to the Proposed Rule to: align its prohibition on yield and interest with the GENIUS Act's statutory text; clearly permit permitted payment stablecoin issuers ("PPSIs") to issue multiple brands of payment stablecoins under one license; tailor reserve asset diversification standards to the PPSI's business model and risk profile; support access to Federal Reserve master accounts for operating subsidiaries of insured depository institutions ("IDIs"); and ensure capital treatment does not create duplicative regulatory burdens. CCI also supports the FDIC's clarification that the application of deposit insurance to deposits does not depend upon the technology or recordkeeping used to record a bank's deposit liabilities.

II. Priority Issues and Recommendations

1. Regulatory Uniformity

The GENIUS Act establishes uniform national standards for payment stablecoins so that all payment stablecoin users have confidence that any GENIUS-compliant stablecoin is safe, redeemable at par, and subject to robust regulatory safeguards—regardless of the issuer's charter type or supervisory regulator. This uniformity is critical to ensuring fungibility of payment stablecoins across issuer types, which fosters adoption. Merchants, consumers, and counterparties should be able to assume that all GENIUS-compliant payment stablecoins meet a common baseline of protections, without worrying that certain payment stablecoins may be less protected than others. Requiring Americans and businesses to conduct significant research to understand how an FDIC–approved issuer's payment stablecoin may be subject to different requirements than those that apply to an OCC-approved issuer's payment stablecoin would add friction and uncertainty to the marketplace, chilling participation and restricting the pace of adoption.

A clear, cohesive, and consistent framework across the Federal payment stablecoin regulators will also promote fair and efficient competition by ensuring that PPSIs compete on the merits of their products, rather than through regulatory arbitrage. CCI therefore strongly encourages the FDIC to treat interagency alignment as a core implementation priority. In particular, the FDIC should work closely with the Office of the Comptroller of the Currency ("OCC") in setting standards, as the OCC is the only Federal payment stablecoin regulator that oversees both bank and non-bank

issuers. Failure to prevent regulatory fragmentation would invite arbitrage, distort competition, and ultimately undermine public confidence in the GENIUS Act's framework.

2. Prohibition on Yield

The FDIC should ***not*** adopt Proposed § 350.3(b)(4)'s rebuttable presumption construct.

Proposed § 350.3(b)(4) would prohibit a PPSI from paying the holder of any payment stablecoin any form of interest or yield, whether in cash, tokens, or other consideration, solely in connection with the holding, use, or retention of such payment stablecoin. The Proposed Rule goes beyond the FDIC's statutory remit by proposing a rebuttable presumption construct for assessing violations not found in the GENIUS Act itself.

Specifically, the FDIC would presume that a PPSI violates the general prohibition if: (A) the PPSI has a contract, agreement, or other arrangement with an affiliate of the issuer or related third party to pay interest or yield to the affiliate or related third party;[2] and (B) the affiliate or related third party or, if the person is a related third party, an affiliate of such related third party, has a contract, agreement, or other arrangement to pay interest or yield (whether in cash, tokens, or other consideration) to a holder of any payment stablecoin issued by the permitted payment stablecoin issuer solely in connection with the holding, use, or retention of such payment stablecoin.[3]

The FDIC's rebuttable presumption construct is inconsistent with the plain text of Section 4(a)(11). As the Supreme Court teaches, "[s]tatutory construction must begin with the language employed by Congress and the assumption that the ordinary meaning of that language accurately expresses the legislative purpose."[4] Here, the text is crystal clear: the prohibition on the payment of interest or yield is expressly limited to payments from a PPSI to a holder. Indeed, when Congress negotiated, passed, and enacted the GENIUS Act, market participants other than issuers were paying incentives tied to payment stablecoins. Against this backdrop, Congress chose to focus the prohibition solely on payments made by payment stablecoin issuers to holders.

By extending this prohibition to capture incentives paid by third parties other than the issuer, the rebuttable presumption goes beyond the statutory text. It also shifts the burden of legality on the

[2] For purposes of this prohibition, a "related third party" means: (A) A person offering to pay interest or yield to payment stablecoin holders as a service; and (B) Any person that the issuer issues payment stablecoins on the person's behalf or under the person's branding. Proposed § 350.3(b)(4)(ii).

[3] Proposed § 350.3(b)(4). If a PPSI issues a payment stablecoin on behalf of, or under the brand of, a third party (i.e., a white-label arrangement), the rebuttable presumption applies only to holders of that specific branded stablecoin, not to holders of other payment stablecoins the PPSI issues under its own brand or other arrangements. Proposed § 350.3(b)(4)(i)(C).

[4] *See, e.g.*, *Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 194 (1985).

issuer to prove that an incentive arrangement with a third party is lawful, while placing liability risk on issuers for third-party conduct. As the Supreme Court has ruled, imposition of liability must be clearly stated or unmistakably implied by Congress—and Congress has not done so here.[5]

Recommendations

Given the significant issues identified above, the FDIC should remove the presumption.

At the very least, the FDIC should take important steps to clarify and narrow its scope. *First*, the FDIC should ensure "solely" remains in Proposed § 350.3(b)(4) to prevent the construct from being expanded even further beyond the GENIUS Act's statutory language where Congress intentionally cabined the prohibition with the use of "solely."[6]

Second, the FDIC should strike "use" from Proposed § 350.3(b)(4)(i)(B). While the GENIUS Act's core prohibition text includes "use," this was directly tied to yield or interest paid by the issuer—not a third party. Capturing third-party incentive payments tied to "use" goes beyond the intended policy objective of prohibiting arrangements that mirror interest paid on the passive holding of money in a bank deposit account.[7] In the alternative, the FDIC should, at a minimum, clarify that the term "use" of a payment stablecoin in proposed § 350.3(b)(4)(i) refers to consumer-facing payments, not backend operational functions. For example, the FDIC should clarify that routine operational activities, including minting and burning payment stablecoins, do not constitute "using" or holding a payment stablecoin to avoid such activities triggering a yield violation.

Third, the FDIC should narrow the definition of related third party such that it includes only arrangements where a related third party has a contractual or other formal arrangement to pay interest or yield on behalf of the issuer. As written, a related third party includes "any person

[5] *Foremost-McKesson v. Provident Securities Co.*, 423 U.S. 232, 252 (1976) ("If Congress wishes to impose such liability, we must assume it will do so expressly or by unmistakable inference.").

[6] *See* GENIUS Act § 4(a)(11)(Prohibition on Interest: "No permitted payment stablecoin issuer or foreign payment stablecoin issuer shall pay the holder of any payment stablecoin any form of interest or yield (whether in cash, tokens, or other consideration) solely in connection with the holding, use, or retention of such payment stablecoin.").

[7] CCI respectfully submits that the evidence does not, in fact, support this purported concern. For example, a recent White House Council of Economic Advisers analysis found that even if Congress were to eliminate stablecoin yield in its entirety, bank lending would only increase by $2.1 billion, or 0.02 percent, while imposing a net welfare cost of $800 million. White House Council of Economic Advisers, *Effects of Stablecoin Yield Prohibition on Bank Lending* (April 7, 2026), available at https://www.whitehouse.gov/research/2026/04/effects-of-stablecoin-yield-prohibition-on-bank-lending/. Further, despite third party rewards being permitted under the GENIUS Act, the FDIC's 2026 Risk Report found that bank deposits increased in 2025, with deposit growth at community banks outpacing deposit growth across the broader industry. *See* Federal Deposit Insurance Corporation Risk Report 2026 at 14, available at https://www.fdic.gov/analysis/2026-risk-review-full.pdf#page=9 (finding industry deposits increased 3.9 percent, while deposits at community banks grew by 5 percent).

paying interest or yield to a payment stablecoin holder *as a service*," raising significant ambiguity regarding who might be captured by this definition.[8]

Finally, the FDIC should establish clear safe harbors. Specifically, the FDIC should clarify that commercial incentives paid by an issuer to market makers, exchanges, payment networks, custodians, or other commercial counterparties for services—such as for liquidity provision, volume generation, technical integration, or operational support—are not captured by the prohibition. Additional safe harbors should, at the very least, include those recognized in the OCC's proposed rule, which clarified that the prohibition is not intended to prevent a merchant from independently offering a discount to a payment stablecoin holder for using payment stablecoins, or a PPSI from sharing profits derived from the payment stablecoin with a non-affiliate white label partner.[9]

3. Multi-Brand Issuance

The Proposed Rule provides that a PPSI may issue multiple brands of distinct payment stablecoins, subject to certain safeguards. For example, the FDIC would require a PPSI issuing multiple brands to maintain reserves with assets that can be separately identified as backing a particular brand of payment stablecoin.[10] The Proposed Rule further provides that a PPSI issuing more than one brand must maintain segregated pools of reserves that are kept, maintained, and recorded separately, unless the FDIC approves reserve commingling in writing.[11]

Recommendation

CCI strongly supports the FDIC adopting a per-issuer licensing regime under which a single approved PPSI may issue multiple brands of payment stablecoins, including under white label or co-branded arrangements with commercial partners. This approach aligns with the GENIUS Act, which does not contemplate a per-stablecoin or per-brand licensing restriction.

Allowing a PPSI to issue multiple brands has significant policy benefits. For example, it incentivizes issuers to establish a highest-common bar for risk management and operational standards to apply across all payment stablecoins issued under that license. By contrast, a per-stablecoin or per-brand approach may lead issuers to allocate resources based on the strategic importance of a

[8] Proposed § 350.3(b)(4)(ii)(emphasis added).

[9] *See* OCC Proposed Rule Implementing the Guiding and Establishing National Innovation for U.S. Stablecoins Act for the Issuance of Stablecoins by Entities Subject to the Jurisdiction of the Office of the Comptroller of the Currency at 10212.

[10] *GENIUS Act Requirements and Standards for FDIC-Supervised Permitted Payment Stablecoin Issuers*, 91 Fed. Reg. 18534, 18541.

[11] *Id.*

brand or other subjective criteria, leading to inconsistent risk management standards across brands.

As the FDIC recognizes in its proposal, any potential concerns relating to reserve confusion or run risk under multi-brand issuance can be more appropriately addressed through clarifying application of GENIUS's requirements in the context of multi-brand issuance—not by adding a new registration requirement not found in the statute itself. Critically, the FDIC should work with the OCC to ensure regulatory parity so that both FDIC-supervised and OCC-supervised entities are permitted to engage in multi-brand issuance, subject to consistent safeguards.

4. Reserve Asset Diversification

CCI appreciates the FDIC's recognition that extensive asset diversification requirements are unnecessary given the narrow scope of eligible reserve assets.[12] However, under the Proposed Rule, a PPSI would be prohibited from holding more than 40 percent of its reserve assets at any one eligible financial institution ("EFI").

Recommendations

CCI encourages the FDIC to modify this requirement to provide PPSIs additional flexibility to hold reserve assets at an affiliate. Specifically, the FDIC should explicitly allow a PPSI that is a subsidiary of an insured depository institution to hold up to 100% of reserve assets as deposits at the affiliate, provided the parent holds an equivalent amount of cash in its Federal Reserve master account and remains well capitalized. The standard for such arrangements should be risk-based, require arm's-length terms, and avoid creating competitive asymmetries between different types of PPSIs. It must also remain consistent with the GENIUS Act's ring-fenced design, whereby PPSIs are treated as separate legal entities from their parent IDI.

The FDIC should also consider allowing a PPSI to hold reserves directly in the subsidiary's own Federal Reserve master account or, where applicable, in a sub-account of the parent IDI's Federal Reserve master account. To this end, the FDIC, alongside the OCC, should work with the Federal Reserve Board to enable an operating subsidiary of an IDI to open a master account directly at Federal Reserve Banks or maintain a designated sub-account of the parent IDI's master account.

As written, the proposed rule risks introducing unnecessary operational risk and complexity by requiring an IDI subsidiary to shift a majority of its reserve assets across multiple third-party institutions. By contrast, allowing reserves to remain within the parent IDI's ecosystem, particularly in a Federal Reserve master account, would maximize liquidity and support immediate

[12] Proposed Rule at 18542 ("Given the narrow scope of eligible reserve assets, the FDIC does not believe extensive asset diversification requirements are necessary.").

access to funds. The GENIUS Act's 1:1 reserve asset backing requirement ensures this structure operates within an already robust regulatory framework.

5. Capital Requirements

CCI supports the FDIC's proposed requirement that an operating subsidiary's stablecoin reserves be deconsolidated from the parent IDI's balance sheet to prevent duplicative capital charges.[13] To ensure this deconsolidation works in practice, the FDIC should permit stablecoin reserves of a PPSI operating subsidiary to be held as deposits at the parent bank's Federal Reserve master account, without those deposits counting toward the parent bank's Tier 1 leverage ratio.

Because the subsidiary is already required to hold its own independent capital, the parent bank should not be penalized or required to raise additional capital to back these deposits. Any relief should be technology neutral and consistent with the GENIUS Act's statutory design to treat the PPSI IDI subsidiary as a standalone entity from the parent IDI. Such relief can ensure that existing rules do not mischaracterize legally segregated reserve structures or produce double-counting.

6. Definition of Customer

The FDIC proposes to define "customer" to mean "a person that purchases (through any consideration) the products or services of a PPSI directly from the PPSI." CCI supports the FDIC's approach of ensuring a customer only captures persons who have established a relationship with a PPSI. As the FDIC aptly points out, it is important for the definition to distinguish a "customer" from situations where a person has no direct relationship with a PPSI, such as where a person purchases a payment stablecoin on the secondary market.[14] Accordingly, the FDIC should adopt this definition of customer in a final rule and encourage the OCC to establish a consistent definition.[15]

[13] *See* Proposed § 324.22 ("Notwithstanding any other provision in this section, an FDIC-supervised institution that is consolidated with a permitted payment stablecoin issuer as defined in § 350.1 of this chapter must make the following adjustments when calculating its capital ratios under § 324.10: (1) Deconsolidate any permitted payment stablecoin issuer from the FDIC-supervised institution's balance sheet…").

[14] *See* Proposed Rule at 18535.

[15] The OCC is proposing to define the term "customer" to mean a person that purchases (through any consideration) the products or services of another person.

III. Tokenized Deposits

The Proposed Rule aims to clarify the treatment of tokenized deposits by amending the FDIC's deposit insurance rules to clarify that the application of deposit insurance under the Federal Deposit Insurance Act does not depend on the technology or recordkeeping used to record a bank's deposit liabilities.[16]

Recommendation

CCI supports the FDIC's clarification that FDIC deposit insurance applies to deposits regardless of the technology or recordkeeping method used to record a bank's deposit liabilities. At the same time, the FDIC should not overlook the inherent operational features of deposits that are recorded and may be transferred on a permissionless blockchain, while preserving clear regulatory boundaries between tokenized deposits and payment stablecoins.

As the Proposed Rule notes, payment stablecoins and tokenized deposits are "economically and legally distinct," and therefore subject to different regulatory requirements. For example, tokenized deposits represent an IDI's deposit liability to the deposit account holder and provide the basis for a bank's extension of credit to bank customers. Deposits are subject to regulatory requirements tailored to fractional reserve lending and are eligible for Federal deposit insurance. In contrast, payment stablecoins represent a PPSI's liability, are subject to GENIUS Act requirements—including 100% reserve backing and a prohibition on the rehypothecation of reserve assets—and are not eligible for Federal deposit insurance. Indeed, Congress recognized these distinctions by explicitly excluding deposits, including those recorded on a blockchain, from the GENIUS Act's definition of payment stablecoin.[17] Accordingly, the FDIC should ensure its final rule recognizes these distinctions and avoids conflating the regulatory treatment of payment stablecoins and tokenized deposits.

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[16] *See* Proposed Rule Part D.

[17] *See* GENIUS Act § 2(22).

IV. Conclusion

CCI appreciates the FDIC's thoughtful Proposed Rule and the opportunity to comment. By adopting the targeted recommendations set forth above, the FDIC can ensure the GENIUS Act is implemented faithfully, efficiently, and in a manner that promotes safe and responsible payment stablecoin adoption and innovation. CCI looks forward to working with the FDIC throughout the rulemaking process to help cement American leadership in the future of payment stablecoins and digital finance.

Respectfully submitted,

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