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Via electronic submission: http://www.regulations.gov

Jonathan V. Gould
Comptroller of the Currency
Office of the Comptroller of the Currency
400 7th Street S.W.
Suite 1E–216
Washington, DC 20219

Re: 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

Dear Comptroller Gould:

The Blockchain Association submits this letter in response to the request for comments by the Department of the Treasury's Office of the Comptroller of the Currency ("OCC") on its 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, 91 Fed. Reg. 10,202 (Mar. 2, 2026).

The Association is the leading nonprofit membership organization dedicated to promoting a pro-innovation policy environment for the digital asset industry. The Association endeavors to achieve regulatory clarity and to educate policymakers, regulators, courts, and the public about how blockchain technology can pave the way for a more secure, competitive, and consumer-friendly digital marketplace. The Association represents more than 100 member companies reflecting the wide range of the dynamic blockchain industry, including software developers, infrastructure providers, exchanges, custodians, investors, and others supporting the public blockchain ecosystem.

Introduction and Executive Summary

The Association supports the OCC's efforts to establish a comprehensive regulatory framework for stablecoins under the GENIUS Act. The Association has long called for greater regulatory clarity in the digital asset industry, especially through notice-and-comment rulemaking. The Association and its members are committed to helping build a stablecoin ecosystem that fosters "financial stability" and "customer confidence." 91 Fed. Reg. at 10,224, 10,267. The Association agrees that "regulatory clarity and simplification from the proposed rule will stimulate payment stablecoin issuance in the short-run, beyond issuance that would have taken place in the absence of the proposed rule." *Id.* at 10,268. The Association also applauds the OCC's efforts to ensure the Proposed Rule "promote[s] fair competition between banks and non-banks[.]" *Id.* at 10,267. These positive outcomes would be consistent with the Trump Administration's goal of "promot[ing] the development and growth of lawful and legitimate dollar-backed stablecoins worldwide." Exec. Order 14178, 90 Fed. Reg. 8647, 8647 (Jan. 23, 2025). They would also be in line with the

Administration's priority to "support growth and innovation in the digital assets industry, protect consumers, and keep the United States at the forefront of digital asset development."[1]

To further these goals, the OCC should calibrate its final rule with that practical market evolution in mind. Users increasingly expect dollar instruments to move on shorter and more predictable settlement cycles; a rule that expects delayed settlement cycles or imposes a blunt automatic delay of access due to a liquidity-outflow event risks undermining the very utility that makes these instruments useful in the first place. Payment stablecoins increasingly compete on speed, predictability, and interoperability, and the regulatory framework should therefore remain workable not only for today's market structure, but also for a market moving toward shorter settlement cycles and more seamless interaction between on-chain and traditional payment rails.

The Association supports the policy goals of the GENIUS Act and many aspects of the Proposed Rule. But several provisions, as currently drafted, exceed the OCC's statutory authority, impose unreasonable operational burdens on issuers, and would create unreasonable risks for stablecoin holders and issuers alike. In the sections below, the Association highlights targeted revisions that would better align the OCC's final rule with the GENIUS Act's text and pro-innovation objectives, as well as current industry practice.

- **Reserve assets:** The OCC should adopt a principles-based diversification standard (Option A) without any quantitative safe harbor. The rigid thresholds (including the safe harbor's metrics) in the Proposed Rule are inconsistent with the GENIUS Act, operationally impracticable for many stablecoin issuers, and unsupported by an evidentiary record sufficient to justify the immense burden they would impose. Should the OCC choose to adopt a safe harbor in its final rule, the OCC should reframe the safe harbor as a procedural requirement (e.g., issuer-approved diversification policies), and it should not become a de facto supervisory floor. The OCC should also clarify that tokenized forms of otherwise eligible reserve assets are presumptively permissible assets to satisfy the reserve requirement, consistent with the GENIUS Act's express inclusion of tokenized reserves in the statutory list of authorized assets. And the OCC should not impose any minimum requirement to hold reserves in insured deposits, which is operationally infeasible for large issuers, would add complexity without any prudential benefit, and would likely reduce rather than enhance redemption readiness.
- **Yield or interest prohibition:** The OCC should not extend the GENIUS Act's prohibition on payment of yield or interest by issuers to third parties through a regulatory presumption. Broadly restricting third-party rewards programs would exceed the OCC's authority under the GENIUS Act and would inhibit the development of stablecoin-based financial products.
- **Multi-brand issuance:** The OCC should maintain the Proposed Rule's current approach and not add a prohibition against multiple brands of stablecoins. Multi-brand issuance supports competition and innovation, mirrors long-standing practice in similar industries, and promotes uniformity with the Federal Deposit Insurance Corporation's ("FDIC") implementation of the GENIUS Act.
- **Automatic redemption delays:** The OCC should also remove the proposed automatic, non-discretionary extension of the redemption period in proposed Section 15.12(c)(1). An automatic redemption delay would encourage runs and undermine consumer confidence

[1] *Fact Sheet: The President's Working Group on Digital Asset Markets Releases Recommendations to Strengthen American Leadership in Digital Financial Technology*, The White House (July 30, 2025), https://tinyurl.com/35es4wjr.

in stablecoins; indeed, the SEC has repealed a similar rule for money-market funds for this exact reason.

- **Minimum redemption threshold:** The OCC should not require issuers to redeem any number greater than or equal to one stablecoin. The GENIUS Act does not compel a one-unit redemption minimum. And this extremely low redemption threshold would impose disproportionate know-your-customer and anti-money-laundering compliance burdens that provide little incremental consumer benefit.
- **Assessments:** The OCC should base assessments on outstanding issuance value rather than an asset-based formula. Issuance value better reflects stablecoin activity and the OCC's expected supervisory intensity and avoids unnecessary operational complexity.
- **Technical adjustments:** The OCC should make a number of technical revisions to clarify certain provisions and reduce unnecessary compliance and operational friction, including:
  - Permitting issuers to determine whether certain reporting obligations are satisfied at the issuer or issuance level;
  - Narrowing the definition of "customer" to include only purchasers who buy stablecoins directly from an issuer;
  - Calculating the redemption period to begin after completion of necessary onboarding steps;
  - Accommodating privacy-enhancing technologies on public blockchains;
  - Confirming that issuers may repurchase their stablecoins on secondary markets;
  - Clarifying that deployers and distributors are not issuers or digital asset service providers absent other qualifying activity;
  - Permitting stablecoin issuers whose stablecoins are not denominated in U.S. dollars to manage foreign exchange risk;
  - Clarifying that reporting and attestations can reflect the brand-level issuance value, including similarly branded stablecoins issued by affiliates as part of the same issuance structure;
  - Continuing to allow stablecoin issuers to hold non-payment stablecoin crypto assets as necessary to engage in permissible business activities;
  - Ensuring that extended examination cycles are based on issuance value; and
  - Framing any blocking, freezing, or seizing capability by an issuer as a functional requirement.

In considering these and other design choices for a final rule, the OCC should conduct a more fulsome regulatory impact analysis that accounts for competition from adjacent digital-dollar products, including tokenized deposits. Each of the substantive policy choices in the OCC's final rule will have effects on this competitive marketplace, including how stablecoins compare to alternative products in terms of their utility, speed, operational flexibility, and customer experience.

These improvements would be consistent with the OCC's stated goals in this rulemaking, preserve the Proposed Rule's benefits, help ensure regulatory clarity, consumer protection, and fair competition between banks and nonbanks, make the final rule more consistent with the GENIUS Act, reduce unnecessary operational burdens, and avoid introducing new risks to stablecoin issuers and holders.

The OCC's Mandate Under The GENIUS Act

GENIUS Act. This rulemaking implements the Guiding and Establishing National Innovation for U.S. Stablecoins Act, 12 U.S.C. § 5901 *et seq.* ("GENIUS Act" or the "Act"). The GENIUS Act "protects consumers from nefarious actors in financial markets," "attract[s] more digital asset activity to the country by providing clear rules and promoting responsible innovation in the stablecoin market," and "combat[s] illicit activity in digital assets."[2] The Act establishes a comprehensive statutory scheme governing payment stablecoins—meaning "digital asset[s]" that are used or designed to be "used as a means of payment or settlement," "the issuer of which is obligated to . . . redeem . . . for a fixed amount of monetary value" and "represent that" the issuer will maintain a "stable value relative to the value of a fixed amount of monetary value." 12 U.S.C. § 5901(22). Among other provisions, the Act defines which entities are authorized to issue payment stablecoins; imposes marketing, reserve assets, and liquidity standards on permitted payment stablecoin issuers; preempts state licensing requirements with respect to "Federal qualified payment stablecoin issuer[s]" (i.e., nonbanks or uninsured banks); and prioritizes claims of stablecoin holders in insolvency proceedings. *See* 12 U.S.C. § 5901 *et seq.*

Under the Act, the OCC serves as the "primary Federal payment stablecoin regulator" for "Federal qualified payment stablecoin issuer[s]" and has exclusive licensing, examination, and supervisory authority over such issuers. 12 U.S.C. § 5903(b)(1). The OCC is also the primary federal regulator for subsidiaries of insured national banks or federal savings associations and exercises regulatory or enforcement authority over certain "State qualified payment stablecoin issuer[s]." *Id.* §§ 5901(25), 5906(e), 5903(d). In addition, the OCC oversees registration and monitoring of foreign payment stablecoin issuers. *Id.* § 5916. The Act requires the OCC and other "[f]ederal payment stablecoin regulator[s]" to "promulgate regulations to carry out this chapter through appropriate notice and comment rulemaking." *Id.* § 5913(a).

Comments On The Proposed Rule

In several respects, the OCC's Proposed Rule is a step forward for the industry and increases regulatory clarity for stablecoin issuers, consistent with the intent of the GENIUS Act. For example, the Association supports the Proposed Rule's clarity on the types of permitted issuers, application process, and capital expectations, as well as the absence of a prohibition on multi-brand issuance. The OCC should adopt those provisions as drafted.

Although some provisions of the Proposed Rule should be adopted as proposed, the OCC should remove or substantially revise other provisions to: (i) ensure consistency with the GENIUS Act; (ii) avoid imposing substantial and unjustified operational burdens on issuers; and (iii) avoid introducing unintended risks to both stablecoin issuers and holders. If the OCC does not remove or substantially revise those provisions along the lines described below, it should study them further and repropose them for further comment to ensure that the public has an adequate opportunity to comment based on a complete evidentiary record.

[2] *Fact Sheet: President Donald J. Trump Signs GENIUS Act into Law*, The White House (July 18, 2025), https://tinyurl.com/chutjkkm; *see also FACT SHEET: The GENIUS Act Protects Consumers*, S. Comm. on Banking, Hous. & Urb. Affs. (Apr. 16, 2025), https://tinyurl.com/2md9njxr.

I. The final rule should revise the proposed reserve-diversification requirements.

A. Option B and the safe harbor in Option A impose arbitrary quantitative requirements without justification and should not be adopted without an evidentiary basis and an opportunity for commenters to weigh in on the OCC's evidence.

Proposed Section 15.11 addresses stablecoin issuers' reserve requirements; subsection (c) addresses diversification and concentration requirements specifically. The OCC has proposed two options for Section 15.11(c). Under Option A, a stablecoin issuer "must maintain reserve assets that are sufficiently diverse to manage potential credit, liquidity, interest rate, and price risks" and sufficiently spread across "eligible financial institutions." 91 Fed. Reg. at 10,289. A stablecoin issuer would be "deemed to satisfy" those requirements if it meets certain quantitative thresholds, but would not be required to satisfy the thresholds. *Id.* Under Option B, by contrast, a stablecoin issuer would be required to meet those same thresholds. *See id.*

The Association objects to the proposed safe harbor in Option A and the quantitative requirements of Option B, which impose the same arbitrary requirements of the safe harbor in Option A, but without the veil of flexibility. These kinds of numerical diversification requirements are operationally impractical and would limit innovation by ruling out business models that, although perfectly safe, would not be workable under the OCC's rigid quantitative thresholds.

Rigid rules and safe harbors like those in the Proposed Rule could force issuers to make non-economic decisions. For example, during periods of market volatility, an issuer's liquid reserve assets may decline in value such that the issuer may be forced to convert its longer-term assets into liquid assets at a loss to meet the 30% near-term liquidity requirement.[3]

Similarly, during periods of high interest rates, the Proposed Rule's requirement of a weighted average maturity of no more than 20 days prevents issuers from taking advantage of higher yields offered by longer-term, high-quality assets. Moreover, a short weighted average maturity time means that issuers must constantly reinvest matured assets. This process requires issuers to incur significant transaction costs, and also poses reinvestment risks as issuers may be unable to find high-grade, short-term products to reinvest their cash flows in, especially during periods of falling interest rates or market volatility.[4] Forcing those losses onto stablecoin issuers does nothing to protect stablecoin holders or serve the purposes of the GENIUS Act.

Indeed, the proposed 20-day weighted average maturity limit exceeds the OCC's authority under the GENIUS Act because it effectively changes the statutory basket of eligible reserve assets. The GENIUS Act already limits reserve assets to highly liquid, low-risk cash and cash equivalents. As a practical matter, a weighted average maturity of no more than 20 days could exclude safe assets with longer maturities that Congress expressly permitted issuers to hold as reserve assets. The proposed weighted average maturity limit may also be inapplicable to various types of issuers.

In addition, as currently structured, the proposed numerical requirements in Option B and the Option A safe harbor skew disproportionately towards reserve diversification as a standalone policy objective at the expense of prudent liquidity management. This approach would add

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[3] *See Banks' Unrealized Losses, Part 1: New Treatment in the "Basel III Endgame" Proposal*, Cong. Rsch. Serv. (Apr. 22, 2024), https://tinyurl.com/musk9wcd.

[4] *See Reinvestment Risk of Short-Term Bonds*, Charles Schwab (Nov. 15, 2024), https://tinyurl.com/6p65ux25.

significant operational burdens for both startup and established issuers, which could impede timely redemption and settlement. The purpose of the GENIUS Act's conservative reserve-asset requirements is to ensure that funds are available when stablecoin holders need them. The rigid diversification requirements in the Proposed Rule are inconsistent with that statutory mandate because they would impede redemption and add operational and credit risk to the system.

Numerical thresholds would also be impracticable for some issuers' operational models. For example, if an issuer maintains separate trusts for each branded stablecoin's reserve assets, the issuer would have to allocate each trust's reserves among many custodians and in different types of assets to comply with the safe harbor in the Proposed Rule. This process would both be operationally intensive and incur more financial risks, as the issuer may be forced to interact with less established custodians or pay substantial upcharges to work with financial institutions with uncompetitive pricing.

Nor is there any need to impose quantitative diversification requirements on issuers given the fact that stablecoins have a 1:1 reserve requirement and stablecoin issuers can satisfy that requirement only by holding certain very safe types of assets specified by Congress. Other federal regulators recognize that diversification requirements can be more flexible when reserves are held in such safe assets. The FDIC recently issued its own proposed rule under the GENIUS Act, and the FDIC rightly recognized that "[g]iven the narrow scope of eligible reserve assets" under the GENIUS Act, "extensive asset diversification requirements are [not] necessary." 91 Fed. Reg. 18,534, 18,542 (Apr. 10, 2026). For similar reasons, the SEC exempts "government securities" from its diversification requirements for money-market funds. *See* 17 C.F.R. § 270.2a-7(d)(3). And banks, which are required to maintain only fractional reserves, are not subject to stringent reserve-diversification requirements at all; instead, they have the flexibility to create a reserve-asset portfolio that works for their business, so long as they meet the liquidity-coverage ratio.

In addition to these problems, Option B and the proposed safe harbor in Option A, if adopted by the OCC, would be arbitrary and capricious because the OCC "must examine the relevant data and articulate a satisfactory explanation for its action including a rational connection between the facts found and the choice made." *See Motor Vehicle Mfrs. Ass'n of U.S., Inc. v. State Farm Mut. Auto. Ins. Co.*, 463 U.S. 29, 43 (1983) (cleaned up). Option B and the proposed safe harbor in Option A fail to satisfy that standard because they would impose unexplained and unsupported numerical thresholds on issuers. The OCC does not describe with specificity any underlying data to justify the selection of the particular quantitative metrics the OCC has proposed. *See, e.g.*, 91 Fed. Reg. at 10,217 (the proposed 10% daily liquidity requirement "would be in line with the largest 1-day redemption events experienced by stablecoin issuers"). And should the OCC choose to supplement the administrative record with factual information from which it derived the numerical thresholds, it would be required to repropose those thresholds and reopen the comment period. *See United States v. Nova Scotia Food Prods. Corp.*, 568 F.2d 240, 252 (2d Cir. 1977) ("To suppress meaningful comment by failure to disclose the basic data relied upon is akin to rejecting comment altogether."); *Chamber of Com. of U.S. v. SEC*, 443 F.3d 890, 899 (D.C. Cir. 2006) ("Among the information that must be revealed for public evaluation are the 'technical studies and data' upon which the agency relies.").

Nor does any such data or evidence exist—stablecoins have not existed in large scale long enough for the OCC to develop any preemptive metrics on reserve-asset diversification or liquidity. Under proposed Section 15.14(h), the OCC will receive regular reports of various information from issuers, including trading volume, secondary market activity, redemption volume and times, and "detailed information regarding reserve assets." 91 Fed. Reg. at 10,225. Under proposed Section 15.14(i), the OCC will also receive regular reports of financial condition from issuers, including "income

statement, expenses, balance sheet, reserves, changes in equity, investments, capital, outstanding issuance value, and assets under custody[.]" *Id.* Over time, with access to a large pool of information from various issuers, the OCC will be in a much better position to make informed decisions about whether quantitative requirements are appropriate and what they should be. In the meantime, the OCC should not stifle innovation in the stablecoin industry by prematurely promulgating arbitrary and unreasonable quantitative metrics that are unsupported by empirical data.

B. Option A, without the quantitative safe harbor provisions, would establish a "principles-based" reserve diversification requirement, while still fostering innovation and flexibility.

The Association supports a modified version of Option A—the adoption of "a principles-based general requirement" for "reserve asset diversification." 91 Fed. Reg. at 10,216. But the additional proposed safe harbor in Option A raises concerns that, in practice, this safe harbor will be viewed as a supervisory "floor" and that the OCC will consider any deviation to be problematic.

In traditional banking regulations, safe-harbor provisions are designed to shield institutions from liability when they act in good faith to comply with the law. Those provisions provide legal certainty without dictating operational outcomes. By contrast, the proposed safe harbor in Option A, rather than offering a clear liability shield, could be perceived as a framework more akin to a rebuttable presumption, where deviation from the OCC's proposed criteria invites heightened scrutiny. In practice, the proposed safe harbor risks creating a form of implicit supervisory pressure, where issuers will feel compelled to conform to the safe harbor regardless of whether it aligns with their specific risk profile. That approach undermines the flexibility inherent in a principles-based, risk-adjusted supervisory model. Moreover, unlike other regulatory agencies, the OCC has historically relied more heavily on principles-based supervision, rather than prescriptive rules with embedded safe harbors. There is no reason for the OCC to deviate from that approach in the final rule.

If a safe harbor is viewed as necessary for the OCC to provide a level of predictability for issuers, the safe harbor should be based on individual stablecoin issuers' internal procedures and policies—i.e., the safe harbor would be satisfied if a stablecoin issuer maintains reserve-diversification requirements, as approved by its Board of Directors (or equivalent body) and, to the extent there is a deviation from such diversification requirements for a period of 10 consecutive business days, the issuer would be required to notify the OCC. This structure preserves flexibility for stablecoin issuers, while enabling the OCC to continue to receive information about their reserves, without imposing arbitrary diversification thresholds.

Stablecoin issuers are diverse. As the Association's membership demonstrates, stablecoin issuers have widely variable sizes, risk profiles, and business models. These different business models (and other business models) require different reserve-diversification strategies. For example, some issuers opt to hold all reserves in cash and cash-equivalent assets, while others have a higher concentration of U.S. Treasury funds and stablecoins.[5] Simple reserve structures may be sufficient for smaller or simpler issuers with lower redemption volumes, while large, globally active issuers may prefer to custody their reserves in global settlement accounts, "including [at] any foreign branches or agents, including correspondent banks, of an insured depository institution." 12 U.S.C. § 5903(a)(1)(A)(ii). Some issuers may also rely more heavily on custodial or trust structures—for

[5] *USDC: The world's largest regulated stablecoin powering global finance*, Circle (accessed May 1, 2026), https://tinyurl.com/9e2mwdyh; *Transparency*, Frax.com (accessed May 1, 2026), https://tinyurl.com/yc478vvd.

example, large trust structures that are bankruptcy-remote and carry no credit risk—for Treasuries and collateral.

The different reserve-asset allocations by stablecoin issuers should be managed by the issuers themselves to reflect their different business models, sizes, and positions within the stablecoin market. And the OCC should accommodate the diversity of stablecoin issuers by allowing them to choose an allocation of reserve assets that best suits their needs without compromising safety. The OCC correctly recognizes that "[p]ermitted payment stablecoin issuers with less complex business models and lower risk profiles may be able to maintain a less diverse stock of reserve assets than permitted payment stablecoin issuers with more complex business models or higher risk profiles." 91 Fed. Reg. at 10,216. For example, a stablecoin with $2 million in circulation that holds 41% of its reserve assets at one institution is significantly less vulnerable to a liquidity crunch at the institution than a similarly situated stablecoin with $150 billion in circulation, even though both are equally non-compliant with Option B's numerical thresholds. This is because withdrawal of reserve assets by the smaller issuer would not significantly impact the institution's liquidity, whereas the institution may have trouble meeting large withdrawal requests by the larger issuer, even if the larger issuer were to withdraw a smaller portion of its total reserve assets.

In short, the OCC's final rule should require only that stablecoin issuers manage their reserves to be sufficiently diversified to enable redemptions. Option A, without the rigid safe harbor in the Proposed Rule, enables stablecoin issuers to manage their reserve assets in a manner most aligned to their risk profile and to account for market conditions and operational risks while adequately diversifying their reserve assets. That would lower operational burdens on small issuers and operational models at some large issuers compared to Option B (or Option A with the proposed safe harbor), given the level of active management and onboarding that may be necessary to meet the quantitative thresholds and concentration risks. This is "consistent with the GENIUS Act's requirements that the proposed asset diversification requirements be 'tailored to the business model and risk profile of permitted payment stablecoin issuers.'" 91 Fed. Reg. at 10,217 (citing 12 U.S.C. § 5903(a)(4)(A)(iii)(I)). And Option A, without the safe harbor, encourages innovation by allowing future stablecoin issuers to choose allocations that are conducive to innovative business models. This would be consistent with President Trump's directive to encourage innovation in this new industry and "make the United States the 'crypto capital of the world.'"[6]

The Association supports Option A without the proposed safe harbor and the OCC should take that approach in the final rule. In the event the OCC decides to adopt Option A with a safe harbor, the OCC should revise the safe harbor in at least two ways to increase flexibility for issuers.

First, the final rule should make clear that the safe harbor is just that. In practice, regulators sometimes come to treat provisions nominally designed as safe harbors as minimum requirements. To eliminate that possibility, the final rule should include language, codified in regulatory text, explicitly stating that meeting the safe harbor is just one way to comply with the rule's diversification requirements, that the OCC cannot apply any formal or informal presumption of non-compliance against any issuers who choose to meet reserve-diversification requirements through other means, and that the OCC will allow any reasonable alternative methods of satisfying the final rule's diversification requirements.

Second, certain concentration thresholds in the optional safe harbor should be removed or reframed as procedural requirements. Diversification requirements should not force issuers to

[6] *Fact Sheet: President Donald J. Trump Signs GENIUS Act into Law*, The White House (July 18, 2025), https://tinyurl.com/chutjkkm.

sacrifice their liquidity and ability to monetize large balances of reserves to meet redemption requests. For large-scale issuers, the market reality is that there are a finite number of entities globally with sufficient capacity and scale to support large movements of reserve assets. Moreover, assets held in trust or custodial structures do not present the same type of counterparty exposure as uninsured deposits; therefore, each limit should be excluded from the safe harbor. Specifically,

- Proposed Section 15.11(c)(2)(iv): The final rule should remove this subsection. It is neither necessary nor practicable to require issuers to hold no more than 5% of their reserves at a single institution.
- Proposed Section 15.11(c)(2)(ii): The OCC should either remove this subsection or substitute the current text with "The permitted payment stablecoin issuer maintains a policy, subject to an annual Board approval, to review the required percentage of reserve assets that are deposits or insured shares payable upon demand, money standing to the credit of an account with a Federal Reserve Bank, or amounts receivable and due unconditionally within five business days on pending sales of reserve assets, maturing reserve assets, or other maturing transactions."
- Proposed Section 15.11(c)(2)(iii): The OCC should either remove this subsection or replace it with "The permitted payment stablecoin issuer maintains a policy, subject to an annual Board approval, that considers concentration limits with regard to eligible financial institutions that serve as custodians of reserve assets, hold reserve funds on deposit, or act as a counterparty on repurchase and/or reverse repurchase agreements with regard to reserve assets."
- Proposed Section 15.11(c)(2)(v): The OCC should remove this subsection. The proposed 20-day weighted average maturity limit exceeds the OCC's authority under the GENIUS Act, imposes arbitrary burdens on issuers, and may not be applicable to various types of issuers. *See supra* at 5.

These modifications increase the likelihood that the safe harbor, if adopted, would allow sufficient flexibility to accommodate different types of issuers and would not impose an undue burden on the industry. More generally, the OCC should seek to protect the economic integrity of payment stablecoins without sacrificing the practical utility that makes them valuable as real settlement instruments in digital markets.

C. The OCC should clarify that tokenized forms of otherwise eligible reserve assets are presumptively permissible.

The OCC "encourages any permitted payment stablecoin issuer that seeks clarity on whether a specific tokenized asset qualifies as a permissible reserve asset under proposed § 15.11(b)(8) to seek an opinion from the OCC" and is "considering publishing a list of . . . the acceptable tokenized reserve assets." 91 Fed. Reg. at 10,215. The OCC should not require issuers to obtain case-by-case approval of specific tokenized assets or allow issuers to hold only tokenized assets on a closed list published by the OCC.

Either approach would be inconsistent with the GENIUS Act's clear statutory text providing that an issuer may hold "reserves comprising" "*any* reserve described in clause (i) through (iii) or clause (vi) through (vii) in tokenized form." 12 U.S.C. § 5903(a)(1)(A)(viii) (emphasis added). For example, the OCC lacks statutory authority to limit the use of tokenized assets to those that could hypothetically be issued by the Treasury Department. Moreover, given the rapid evolution of different forms of tokenized products, it would be premature for the OCC to publish a closed list at this point or extra-

statutory criteria for tokenized assets. The OCC should instead conform the final rule to the general statutory principle that a tokenized asset that otherwise satisfies 12 U.S.C. § 5903(a)(1)(A)(viii) can be used to satisfy the statutory reserve requirement regardless of the issuer, so long as the asset entitles its holder to the same legal rights as the untokenized version of the same asset. Issuers should retain discretion to hold tokenized assets as reserves if the issuer determines that they satisfy the statutory standard, without seeking any form of mandatory pre-approval or authorization from the OCC.

That said, the Association would welcome public guidance from the OCC consistent with the statutory principles described above, including non-exclusive examples of permissible tokenized assets, and confirming that issuers may hold these and other tokenized assets that satisfy the statutory standard in their reserves. The non-exclusive list should include, at minimum, tokenized funds holding short-duration U.S. government securities and other tokenized assets with high credit quality and short-term liquidity.

D. The final rule should not impose any insured-deposit minimums.

Proposed Section 15.11(d) requires an issuer "with an outstanding issuance value of $25 billion or more to, on each business day, maintain at least 0.5 percent of its reserve assets in the form of insured deposits or insured shares at an insured depository institution, up to a cap of $500 million." 91 Fed. Reg. at 10,219. The OCC should not adopt this requirement or any minimum insured-deposit requirement in its final rule. As a practical matter, proposed Section 15.11(d) may be operationally infeasible because the FDIC does not insure deposits above the $250,000 corporate limit.[7] Proposed Section 15.11(d) may therefore weaken redemption readiness rather than strengthen it. A mandatory deposit minimum would also add operational complexity for issuers with little prudential benefit, as banks receiving substantial portions of deposits would offer insured cash sweeps to maximize insurance, without the separate insured deposit minimum. The Association shares the OCC's desire to provide "security for reserve assets" and "promote market and holder confidence about the integrity of reserve assets." 91 Fed. Reg. at 10,219. But reserve safety should be achieved through asset quality and segregation of issuers' reserves, legal protections for stablecoin holders, and reliable access, rather than through any rigid insured-deposit minimum.

II. Issuers should not be prohibited from issuing more than one brand of payment stablecoins.

The OCC correctly decided not to prohibit a payment stablecoin issuer from issuing multiple brands of stablecoins. *See* 91 Fed. Reg. at 10,288. But the OCC requested comment on whether it should consider adding such a provision. *See id.* at 10,213. The OCC should keep the issuance of multiple brands of stablecoins off the list of prohibited activities. Multi-brand issuance benefits both stablecoin holders and the digital asset industry.

As a threshold matter, the approach in the Proposed Rule is consistent with the GENIUS Act's statutory directive that the OCC issue regulations "in coordination" with other "primary Federal payment stablecoin regulators." 12 U.S.C. § 5903(h)(2). The FDIC's proposed rule, like the OCC's proposal, would allow a stablecoin issuer to "issue multiple brands of distinct payment stablecoin." 91 Fed. Reg. at 18,541. The OCC's final rule should maintain that consistency, which would serve Congress's goal of creating a uniform federal regulatory regime through the GENIUS Act.

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[7] *Corporation, Partnership and Unincorporated Association Accounts*, FDIC (May 29, 2024), https://tinyurl.com/4s2nccv8.

As the OCC correctly recognizes, "permitting a payment stablecoin issuer to issue multiple brands of stablecoin" would "allow parties to leverage the experience and expertise of a permitted payment stablecoin issuer and facilitate a broader range of stablecoins in the market." 91 Fed. Reg. at 10,213. Both crypto companies and traditional retailers interested in launching branded stablecoins could do so within weeks by partnering with an issuer, saving the substantial costs necessary to develop stablecoin technology and build the compliance framework required by the GENIUS Act. The OCC's proposed approach would enable issuers to offer white-labeled stablecoins that integrate their partner firms' customer-loyalty programs, enhancing the user experience and reducing friction during a user's first time using the stablecoin. An issuer could also use multiple brands to target different user bases (e.g., retail users vs. institutional investors) or geographies. And allowing issuers to offer multiple brands of stablecoins empowers users to purchase the stablecoin best suited for their particular needs.

Any concern that multi-brand issuance may confuse stablecoin holders as to "who has the ultimate obligation to redeem their payment stablecoin" is overstated. 91 Fed. Reg. at 10,221. Financial institutions have long offered multiple cash-equivalent products (such as checking accounts, savings accounts, and money-market accounts) with differing features, terms, and risk characteristics. Any risk of consumer confusion can be effectively managed through clear disclosures, product labeling, and other established consumer-protection frameworks. In any event, multi-brand issuance is unlikely to create confusion because consumers are already familiar with co-branded credit cards; consumers understand that, for example, a Disney credit card and a Marriott credit card are both issued by Chase Bank.[8]

Moreover, an issuer offering multiple brands of stablecoin is no different from a bank operating multiple branches under different names. In that context, banking regulators noted that customers "may inadvertently exceed FDIC insurance limits by depositing excess amounts in different branches of the same institution," but they nevertheless did not prohibit banks from offering multiple brands and only "recommend[ed]" disclosures to prevent "customer confusion with respect to deposit insurance."[9] The OCC should not subject stablecoin issuers to more stringent branding rules than banks, especially because there is no analogous concern that stablecoin holders will be confused about deposit-insurance limits (since deposit insurance is generally unavailable to stablecoin holders). And the disclosure requirements under proposed Section 15.12(d)(1) already "prevent confusion and ensure that payment stablecoin holders understand" the true identity of the issuer.[10] 91 Fed. Reg. at 10,221.

Any concern that multi-brand issuance may "foster uncertainty about reserve assets and encourage contagion and run risk among brands of payment stablecoins" is overblown for three reasons. 91 Fed. Reg. at 10,213. First, some issuers today already maintain separate trusts to hold reserve assets for stablecoins issued under different white-label arrangements. Even without separate trusts, stablecoin issuers are more than capable of calculating the reserve assets needed to maintain 1:1 backing of outstanding stablecoins under all brands, and the OCC is more than capable of ensuring that they have done that math correctly. Second, the OCC has not explained

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[8] *All Credit Cards*, Chase (accessed May 1, 2026), https://tinyurl.com/a9ejwyf5.

[9] FIL-46-98 Attachment B, Interagency Statement, Branch Names (May 1, 1998), https://tinyurl.com/5xpjhmsr.

[10] The Proposed Rule cites proposed Section 15.11(d)(1) for the proposition that the required disclosures are "necessary to prevent [customer] confusion." 91 Fed. Reg. at 10,221. This appears to be a cross-reference error as there is no Section 15.11(d)(1) in the Proposed Rule. The correct provision should be proposed Section 15.12(d)(1); we have therefore cited to proposed Section 15.12(d)(1) instead here.

why an issuer offering multiple brands of a stablecoin would increase its run risks more than a bank offering multiple brands all under the same umbrella institution. Indeed, because the GENIUS Act requires stablecoin issuers to maintain a 1:1 reserve ratio for outstanding payment stablecoins, 12 U.S.C. § 5903(a), a stablecoin holder faces far lower run risks than a customer who has deposited more than $250,000 across multiple brands of a bank. Third, as banks with multiple brands operating under a single charter do not maintain separate reserves for those brands, any contagion risks due to these bank brands would be similar to those for an issuer with multiple stablecoin brands. There is no reason to impose stricter rules on stablecoin issuers than those that apply to banks.

To the extent the OCC has questions about operational complexity in a resolution scenario that might result from an issuer offering multiple brands of a stablecoin, such concerns should be carefully distinguished from the question whether issuers should be permitted to issue multiple brands. Complexity within a resolution scenario is generally driven primarily by interconnectedness of a wide range of bank and trading activities and ambiguity with regard to the legal rights and timing to exercise such rights. In this context, the questions would center around the legal structure of claims, clarity of redemption rights, and the segregation and management of reserve assets, all of which can be effectively mitigated through clear legal documentation, consistent treatment of similarly situated claimants, and robust operational planning, without requiring limitations on product branding.

III. The prohibition on payment of interest or yield should not apply to third parties.

The GENIUS Act prohibits a "permitted payment stablecoin issuer or foreign payment stablecoin issuer" from "pay[ing] 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." 12 U.S.C. § 5903(a)(11). The Proposed Rule restates that prohibition and adds that the OCC "presumes that a permitted payment stablecoin issuer" has violated it if "[t]he permitted payment stablecoin issuer has a contract . . . with an affiliate of the issuer or related third party to pay interest or yield to the affiliate or related third party" and the "affiliate or related third party . . . has a contract . . . to pay interest or yield . . . 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." 91 Fed. Reg. at 10,288. The Proposed Rule defines "related third party" broadly to include "any person paying interest or yield to payment stablecoin holders as a service (i.e., on behalf of the permitted payment stablecoin issuer) and any person that the issuer issues payment stablecoins on behalf or under the branding of (i.e., persons that have entered [a] white-label relationship with the issuer)." *Id.* at 10,212. In doing so, the Proposed Rule would potentially prohibit third parties that do not issue stablecoins but offer services enabling stablecoin holders to hold and exchange them from offering rewards to customers who hold stablecoins on their platforms.

By attempting to extend the prohibition on offering yield to any "related third party"—a phrase the Proposed Rule defines broadly—through a regulatory "presumption," the Proposed Rule exceeds the OCC's authority under the GENIUS Act. In addition to the statutory violation, extending the prohibition on offering yield to third parties would stifle innovation in the stablecoin space, in direct contravention of the GENIUS Act's purpose and Trump Administration policy.

The GENIUS Act prohibits only stablecoin *issuers* from paying interest or yield. Congress was well aware that third parties (including, but not limited to, crypto exchanges) offer yield on stablecoins, often under contracts with stablecoin issuers, when it passed the GENIUS Act. But Congress did not prohibit those arrangements and attempts to do so during the legislative process failed. *See*

171 Cong. Rec. S3275, S3287 (daily ed. June 9, 2025) (Senator Warren attempting to amend the GENIUS Act to state that "[n]o *person* may pay the holder of a payment stablecoin any form of interest or yield, or any other similar inducement, in connection with the holding, use, or retention of a payment stablecoin") (emphasis added).[11] The OCC "has no power to 'tailor' [the GENIUS Act] to bureaucratic policy goals by rewriting unambiguous statutory terms." *Util. Air Regul. Group v. EPA*, 573 U.S. 302, 325 (2014); *see Loper Bright Enters. v. Raimondo*, 603 U.S. 369, 400-01 (2024) (no deference for agency interpretation of statute that is inconsistent with the statute's text). Thus, the OCC's desire to prevent circumvention of the GENIUS Act's prohibition on issuers offering yield—a laudable goal that in narrow circumstances could potentially justify applying a rebuttable presumption to certain issuer affiliates such as wholly owned subsidiaries—cannot justify a broader presumption that would extend the prohibition to third parties.

Indeed, Congress is deliberating now on whether to prohibit intermediaries from offering yield in connection with the proposed CLARITY Act. *See* Senate Banking Committee, *Digital Asset Market Structure Request for Information*, at 5 (July 22, 2025), https://tinyurl.com/43bsz5ay ("Should legislation limit or prohibit the ability of digital asset intermediaries to offer rewards on digital assets, including stablecoins?"). Congress would not be actively debating this point if it had already resolved it in the GENIUS Act, or if it had authorized the OCC to do so. "Congress . . . make[s] major policy decisions itself"—it does "not leave those decisions to agencies." *West Virginia v. EPA*, 597 U.S. 697, 723 (2022).

Nor could the OCC justify the rule by stating that the presumption can be rebutted. Among other problems, issuers—the regulated parties under the Proposed Rule—often will lack access to the information necessary to rebut the presumption, which would instead be in the hands of third parties. If an issuer does not have a direct pass-through agreement with a third party that pays yield to stablecoin holders, the third party independently decides whether to pay yield to stablecoin holders. The issuer may not know or have any ability to control whether the third party will decide to pay yield or the terms of the third party's payments to stablecoin holders, and therefore may have no way of rebutting the presumption. In practice, the presumption would effectively function as a rule that prohibits third parties from offering yield when they have an agreement with stablecoin issuers. A presumption that is practically impossible to rebut is no presumption at all, but would instead operate as a prohibitive rule.

In any event, even if the GENIUS Act did permit the OCC to extend the prohibition on issuing yield further (it does not), the Proposed Rule's potential extension of the ban to third parties would be arbitrary and capricious. The purpose of the GENIUS Act is to "promot[e] responsible innovation in the stablecoin market."[12] Prohibiting third parties from offering rewards to stablecoin holders will *inhibit* innovation of stablecoin-based financial products. Yield programs are central to the functioning of crypto platforms because they: (1) attract capital inflow and boost liquidity, thereby enabling platforms to facilitate trading and reduce market friction; (2) increase retention of user capital on a platform, which provides stability during volatile periods; (3) allow users to receive returns on idle assets while remaining ready to execute trades; and (4) provide platforms with idle assets on-platform that can be used to generate revenue. Nor will allowing these arrangements have a meaningful impact on the banking industry. The White House Council of Economic Advisers

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[11] *See also* 171 Cong. Rec. S3239, S3257 (daily ed. June 5, 2025) (similar failed amendment offered by Senator Hickenlooper, stating that "[n]o permitted payment stablecoin issuer . . . shall directly or *indirectly* pay the holder of any payment stablecoin any form of interest or yield[.]") (emphasis added).

[12] *Fact Sheet: President Donald J. Trump Signs GENIUS Act into Law*, The White House (July 18, 2025), https://tinyurl.com/chutjkkm.

recently found that eliminating stablecoin rewards would increase lending by only 0.02%, and at "a net welfare cost of $800 million."[13]

For all these reasons, the OCC should abandon the rebuttable presumption in the Proposed Rule.[14]

IV. The OCC should not automatically delay redemption in times of high demand.

The OCC should also remove the "non-discretionary," automatic extension of the redemption period "to seven calendar days if a permitted payment stablecoin issuer faces redemption demands in excess of 10 percent of its outstanding issuance value in a single 24-hour period" in proposed Section 15.12(c)(1). 91 Fed. Reg. at 10,220. Under proposed Section 15.12(c)(3), an issuer subject to this automatic extension may redeem "outstanding or subsequent redemption requests prior to the seven calendar day period" only with the OCC's approval. *Id.* The Association shares the OCC's goal that the Proposed Rule should "facilitate the orderly liquidation of sufficient reserve assets in the event of a spike in redemption requests and . . . help ensure financial stability by lowering the potential price impact of a sudden liquidation of reserve assets." *Id.* at 10,220, 10,221. But an automatic and mandatory extension of the time period for redemptions would be inconsistent with that goal—it would encourage, rather than discourage, runs by inflaming panic among stablecoin holders.

In 2014, the SEC adopted a similar approach in the context of money-market funds, adopting a rule providing that a money-market fund could "impose a liquidity fee of up to 2%, or temporarily suspend redemptions . . . for up to 10 business days in a 90-day period, if the fund's weekly liquid assets fall below 30% of its total assets." Money Market Fund Reform; Amendments to Form PF, 79 Fed. Reg. 47,736, 47,747 (Aug. 14, 2014). In 2023, the SEC removed the ability of money-market funds to "temporarily halt[] redemptions" because the SEC's 2014 rule "may have encouraged runs in March 2020 and may be procyclical in times of stress."[15] Rather than providing a cool-off period, the possibility of a redemption hold when a fund approached the publicly disclosed 30% liquid asset threshold created panic, incentivized investors to prematurely redeem their assets to avoid capital lock-up, and undermined the fund's resiliency in times of stress.

Here, because stablecoin holders would be unaware of an issuer's redemption volume, a sudden automatic extension of the timeframe for redemptions would appear arbitrary and feed speculative frenzy about the issuer's financial health. Even if the issuer informs the public of the reason for the redemption delays once they are triggered, as the OCC has contemplated in Question 102, *see* 91 Fed. Reg. at 10,259, that would not solve the problem because stablecoin holders would still negatively speculate about the issuer's liquidity, even though the real reason would be the issuer's need to comply with the OCC's (unnecessary and unreasonable) regulatory requirements.

The automatic and mandatory extension of the redemption period is especially problematic for small issuers, who may trigger the 10% redemption threshold even in the course of ordinary business. If a large market maker looks to exit a stablecoin temporarily as part of its trading

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[13] *Effects of Stablecoin Yield Prohibition on Bank Lending*, White House Council of Economic Advisers (Apr. 8, 2026), https://tinyurl.com/3yywjfwc.

[14] To the extent the OCC considers expanding the rebuttable presumption in the Proposed Rule or otherwise attempting to impose additional restrictions on issuers' payments to third parties, the OCC cannot do so in a final rule—instead, the OCC would be required to repropose the rule and allow commenters an opportunity to weigh in. *See, e.g.*, *Env't Integrity Project v. EPA*, 425 F.3d 992, 998 (D.C. Cir. 2005) (vacating final rule under the logical-outgrowth doctrine).

[15] Gary Gensler, *Statement on Money Market Funds* (July 12, 2023), https://tinyurl.com/3t7t43vb.

operations, it may easily withdraw more than 10% of the total supply of a small-cap stablecoin. Similarly, a large institutional holder may redeem a large number of stablecoins in one request as part of a cross-border financing deal, which could amount to more than 10% of the stablecoin's outstanding issuance value. The Proposed Rule as currently drafted would significantly disadvantage small issuers by preventing them from fulfilling redemption requests by their business counterparties on the ordinary timeframe without any good reason to do so.

An automatic and mandatory extension of the redemption period will also hamper institutional adoption of payment stablecoins as cash or cash equivalents, which would essentially negate their value as widely usable payment instruments. The proposed 10% trigger is poorly calibrated for expected collateral, margin, and other institutional settlement use cases, where ordinary-course intraday flows by one institution may exceed that threshold for the entire US-based stablecoin industry. As noted above, users expect dollar instruments to move on shorter and more predictable settlement cycles—regardless of whether the instrument is a stablecoin or tokenized deposit. A rule that responds to stress by introducing a blunt automatic delay risks undermining the very utility that makes these instruments useful in the first place. The OCC should not promulgate a rule that inhibits the growth and development of the stablecoin industry.

V. The Proposed Rule should not require issuers to redeem any number greater than or equal to one stablecoin.

Proposed Section 15.12(a)(5) would require issuers to "redeem any number greater than or equal to one payment stablecoin." 91 Fed. Reg. at 10,291. This is an unduly low threshold, and the OCC's only reason for adopting it is a misreading of the GENIUS Act. Instead, the OCC should not set any minimum redemption threshold, thus allowing stablecoin issuers to compete on that dimension. Given the burdens imposed by the know-your-customer and anti-money-laundering verification requirements that apply to each redemption request, requiring issuers to set this low a threshold would impose unreasonable burdens.

The OCC's sole justification for requiring stablecoin issuers to allow redemption of one stablecoin is a purportedly "natural reading of the definition of 'payment stablecoin'"—"a digital asset that an issuer 'is obligated to convert, redeem, or repurchase for a fixed amount of monetary value.'" 91 Fed. Reg. at 10,220 (quoting 12 U.S.C. § 5901(22)). The preamble of the Proposed Rule states that because the phrase "'payment stablecoin' is singular, the statutory language suggests that while an issuer could set a minimum redemption threshold at a fraction of a payment stablecoin, an issuer must redeem any number greater than or equal to one payment stablecoin," or else a payment stablecoin "would not be redeemable for a fixed amount of monetary value." *Id.*

That is incorrect. Under the Dictionary Act, "words importing the singular include and apply to several persons, parties, or things[.]" 1 U.S.C. § 1. Indeed, all of the GENIUS Act's definitions are singular for this reason. And stablecoins would still be redeemable for a fixed amount of monetary value if an issuer sets a higher floor for redemptions: one stablecoin pegged to the US dollar would still be worth one dollar even if a holder needs 100 stablecoins to redeem them directly from the issuer. The statute therefore does not prescribe a minimum threshold for direct redemption but instead provides for only the general requirement that stablecoins be redeemable. And the OCC's "misconceiv[ing] the law" means that this aspect of the Proposed Rule "may not stand." *SEC v. Chenery Corp.*, 318 U.S. 80, 94 (1943); *see also Prill v. NLRB*, 755 F.2d 941, 948 (D.C. Cir. 1985) ("If a regulation is based on an incorrect view of applicable law, the regulation cannot stand as promulgated").

The OCC's misinterpretation of the GENIUS Act on this issue will impose undue and unnecessary burdens on issuers. Know-your-customer and anti-money-laundering requirements can make it costly for issuers to redeem stablecoins.[16] Although those costs are a necessary part of doing business, for some issuers they will be unreasonable and overly burdensome to justify the redemption of a single stablecoin.[17] Those costs will either be borne by issuers or they will be passed on to customers. Instead of imposing the lowest possible threshold for redemption based on a flawed reading of the statute, the OCC should permit competition on this basis. If customers prefer stablecoins issued by issuers that allow the redemption of a single stablecoin, such stablecoins will ultimately prevail. More likely, few customers will ever need to redeem a single stablecoin from the issuer, and the market will determine a more reasonable and practicable threshold.

VI. The OCC should assess issuers based on outstanding issuance value, rather than assets.

The OCC invited comments on whether it should "consider imposing assessments based on different or additional measurements" compared to those in the Proposed Rule. 91 Fed. Reg. at 10,266. Under proposed Sections 8.2 and 8.10, the OCC applies an asset-based formula to assessments of stablecoin issuers, with a discount for reserve assets. *Id.* at 10,245-10,249. The OCC should instead base assessments on the issuance value of outstanding stablecoins to reflect the unique qualities of stablecoins and industry practice.

The Association understands that the proposed assessment structures derive from assessment formulas for "OCC-supervised institutions pursuant to 12 CFR part 8." *Id.* at 10,245. But stablecoin issuers, unlike banks, issue a currency-pegged digital asset with stable value and a 1:1 reserve ratio, meaning that the issuance value more accurately reflects an issuer's level of activities and the costs the OCC might incur from supervising issuers. Moreover, an issuance-based approach would avoid imposing unnecessary operational burdens on issuers compared to the asset-based approach in the Proposed Rule: issuers would not have to separately calculate the amounts of assessments due for reserve and non-reserve assets. For issuers that maintain separate trusts to hold reserve assets for different brands of stablecoin, an asset-based calculation would be particularly challenging as those issuers would have to calculate the assessment due on the reserve assets for each stablecoin brand separately.

Of course, if a stablecoin issuer is engaged in a broader range of activities than those related to the issuance of stablecoins, an assessment formula aligned with 12 C.F.R. part 8 may be more appropriate and the OCC should have the flexibility to utilize an assessment formula for non-stablecoin issuance activities based on the unrelated stablecoin issuance assets of the institution.

VII. Certain provisions are in need of technical adjustments.

The Association proposes additional technical revisions to several provisions of the Proposed Rule. The OCC should adopt these revisions to ensure the Proposed Rule does not unduly burden the business operation of stablecoin issuers.

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[16] *See* Barry Elad & Robert A. Lee, *KYC Compliance in Crypto Statistics 2026: Growth, Risks, and Reality Check* (Oct. 21, 2025), https://tinyurl.com/4u737kr3.

[17] Today, even large stablecoin issuers restrict direct redemption to institutional holders due to the high costs of anti-money-laundering and know-your-customer verifications.

A. The final rule should clarify that issuers may decide whether financial reporting obligations apply at the issuer or issuance level.

The Proposed Rule imposes various financial reporting and disclosure obligations on stablecoin issuers. Among others, proposed Section 15.11(e) requires issuers to publish monthly reports of "total number of outstanding payment stablecoins issued by the issuer and the amount (fair value) and composition of the reserves, including the average tenor and geographic location of custody of each category of reserve instruments." 91 Fed. Reg. at 10,219. Under proposed Section 15.11(g)(1), an issuer "must notify the OCC through its appropriate supervisory office on any day in which its reserve asset amount has fallen below the required minimum in proposed § 15.11(a)." *Id.*

The Proposed Rule does not specify whether these obligations apply at the issuer level or at the issuance level (i.e., by each brand of stablecoins issued by a single stablecoin issuer). The final rule should clarify that issuers may choose the level at which they would report or publish the relevant information. The OCC should preserve in the final rule an issuer's ability to compile reporting information at a level best suited for its operations and to ensure clarity for stablecoin holders. If an issuer was forced to comply with these obligations at a level contrary to its current structure, not only would it incur significant compliance costs, the subsequent dual reporting—one set of reports in line with the issuer's business practice, and one to comply with OCC regulations—may confuse stablecoin holders.

B. The definition of customer should include only direct purchasers.

The Proposed Rule's definition of "customer" is overbroad and should expressly exclude downstream purchasers who lack a contractual relationship with the stablecoin issuer.

The Proposed Rule defines a "customer" as "a person that purchases (through any consideration) the products or services of another person." 91 Fed. Reg. at 10,286. Under that definition, an issuer's "customer" could therefore include downstream stablecoin holders who have never interacted with the issuer—such as retail holders who purchased stablecoins from an exchange—and for whom the issuer would not have any information on file from a previous onboarding process, e.g., when the user created an account with the issuer. *See* 91 Fed. Reg. at 10,251.

The definition of "customer" in the Proposed Rule is also inconsistent with the FDIC's proposed definition of the same term as "a person that purchases (through any consideration) the products or services of a PPSI [permitted payment stablecoin issuer] *directly from the PPSI*." 91 Fed. Reg. 18,535 (emphasis added). The GENIUS Act directs the OCC to issue regulations "in coordination" with other "primary Federal payment stablecoin regulators." 12 U.S.C. § 5903(h)(2). The OCC should revise its proposed definition to be in line with the FDIC's proposed rule.

The definition of "customer" in the Proposed Rule is inconsistent with other regulatory definitions outside the stablecoin context as well. For example, customer-privacy rules under the Gramm-Leach-Bliley Act define "customer" as "a consumer who has a customer relationship" with the regulated entity, meaning there is "a continuing relationship between a consumer and" the regulated entity. 16 C.F.R. § 314.2(c), (e). The broader definition in the Proposed Rule may increase operational burden and compliance complexity and introduce ambiguity in supervisory expectations.

The FDIC's proposed definition of "customer" is a significant improvement over the OCC's definition. The OCC's definition is flawed because, in conjunction with issuers' obligations under other provisions of the Proposed Rule, it forces issuers to affirmatively maintain contact with a

constantly shifting set of stablecoin holders whom the issuers have no way of knowing about. Specifically, the Proposed Rule requires issuers to: (1) notify "customers" of unauthorized access to sensitive customer information under proposed Section 15.13(b)(7); and (2) deliver notice of fee changes to current "customers" under proposed Section 15.12(d)(2). 91 Fed. Reg. at 10,224, 10,221. These notification requirements are impracticable under the OCC's proposed definition of a "customer."

Start with proposed Section 15.13(b)(7). When a user purchases a stablecoin on a third-party exchange from another user, the third-party exchange rather than the issuer possesses the identification information for both users; the exchange would have obtained this information when the users opened their accounts at the exchange and underwent know-your-customer verifications. In this scenario, although the issuer would have visibility into activities that occur on the blockchain—for example, transfers of the stablecoin between wallet addresses—the issuer would likely be unable to discern whether sensitive user information has been accessed without authorization. Therefore, proposed Section 15.13(b)(7) is more appropriately directed at customers who maintain an account with the issuer, rather than all stablecoin holders.

Similar problems would plague issuers trying to comply with Section 15.12(d)(2)'s notice requirement. Because users frequently trade stablecoins on crypto exchanges or elsewhere, the universe of stablecoin holders changes minute to minute. The daily trading volume of USDC, for example, is more than $56 billion as of May 1, 2026.[18] Under proposed Section 15.12(d)(2), not only would an issuer be required to ascertain the identities and contact information of all current holders—many of whom never interacted with the issuer—but also to accomplish the impossible task of tracking billions of dollars in daily transactions on third-party exchanges to determine which wallets hold a token and should therefore receive a notice of fee changes.

That enormous cost to issuers would yield little marginal benefit for stablecoin holders. Other portions of proposed Section 15.12(d) already ensure that downstream stablecoin purchasers are adequately notified of fee changes. Proposed Section 15.12(d) requires an issuer to publish on its website "[a]ll fees associated with purchasing or redeeming payment stablecoins" and to "[u]pdate the disclosures . . . if there are any changes in fees associated with purchasing or redeeming payment stablecoins." 91 Fed. Reg. at 10,291. Thus, requiring issuers to deliver notice of fee changes to all current customers (as broadly defined under the Proposed Rule) would minimally benefit indirect purchasers but impose substantial costs on issuers. To avoid that irrational outcome, the OCC should revise its definition of a "customer" to explicitly exclude stablecoin holders who did not purchase directly from an issuer. *See* Exec. Order No. 12866, 58 Fed. Reg. 51,735, 51,736 (Sep. 30, 1993) (an agency shall "adopt a regulation only upon a reasoned determination that the benefits of the intended regulation justify its costs").

C. The redemption period should begin after completion of necessary onboarding steps.

Proposed Section 15.12(b)(1)(i) requires issuers to "redeem a payment stablecoin no later than two business days following the date of the requested redemption." 91 Fed. Reg. at 10,220. The OCC should clarify that any required redemption timeline begins only after a valid request and completion of necessary onboarding steps, including know-your-customer, anti-money-laundering, and sanctions screening. Moreover, the final rule should explicitly state that the OCC would determine an issuer's compliance with any redemption window based only on the issuer's

[18] *USDC Price* (USDC), Coinbase (accessed May 1, 2026), https://tinyurl.com/3zsycbd8.

execution of the payment order rather than downstream bank or payment-rail settlement that is outside the issuer's control.

D. The final rule should accommodate privacy-enhancing technologies on public, transparent blockchains.

The Proposed Rule should clarify that privacy-preserving distributed-ledger architectures fully satisfy the operational and examination requirements under proposed Sections 15.13(b)(8) and 15.14(b), respectively.

Today, most stablecoins run on transparent blockchains where every transaction—including amounts, counterparties, and frequency—is permanently and publicly visible. Although many blockchain transactions are pseudonymous, meaning they do not have personally identifying information associated with them on the blockchain, once a person's name is connected to even a single blockchain transaction, it is often possible to reconstruct that person's entire transaction history, particularly when using advanced blockchain analytics.[19]

To offer stronger consumer data protections, some issuers may adopt privacy-enhancing tools where issuers could cryptographically reveal transaction data to specific parties such as regulators and auditors without full public exposure on the ledger. A Zero Knowledge Proof is an example of such a privacy tool and has been successfully implemented by Association member the ZCash Foundation, as well as on the private and programmable Aleo blockchain, which is supported by Aleo Network Foundation, also an Association member. The final rule should ensure that the use of privacy-preserving technologies on an issuer's blockchain is explicitly permissible, and would not conflict with the issuer's ability to satisfy "operational resilience" under proposed Section 15.13(b)(8), or its obligation to provide OCC examiners with "books and records," including "information retained on distributed ledgers" under proposed Section 15.14(b). 91 Fed. Reg. at 10,224, 10,225.

E. The final rule should clarify that an issuer may repurchase its stablecoins on the secondary market.

The OCC requested comments on "other limits or conditions the OCC should consider with respect to payment stablecoin issuers acting as principal or agent with respect to any payment stablecoin[.]" 91 Fed. Reg. at 10,252. The OCC should explicitly confirm an issuer's ability to buy back its own stablecoins on the secondary market. Issuers may need to purchase their own stablecoins on the secondary market to manage supply, for several reasons including: (1) issuer buy-backs prevent panic selling when the demand for a stablecoin falls and the market price drops below parity; (2) in the event of a run, buy-backs provide liquidity and restore trust in the stablecoin's stability; (3) issuers may use buy-backs to ensure that secondary-market prices align with the official redemption value of a stablecoin; and (4) buy-backs help issuers manage the balance between circulating supply and holding additional reserve assets. In the securities context, companies routinely buy back their stocks on the secondary market. The OCC should ensure that stablecoin issuers would have similar flexibility.

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[19] Virginie Liebermann & Michel Molitor, *Blockchain vs Data protection*, International Network of Privacy Law Professionals (July 30, 2024), https://tinyurl.com/bdh4kwzx.

F. The final rule should clarify that entities that solely facilitate stablecoin deployment are not stablecoin issuers or digital asset service providers.

The OCC should clarify that stablecoin deployers or distributors—entities that facilitate the adoption, circulation, and technical deployment of a stablecoin but do not hold reserves or control minting or redemption—are not permitted payment stablecoin issuers or digital asset service providers absent other qualifying activities. Today, deployers or distributors are often partners with issuers in white-label arrangements, where they leverage an issuer's infrastructure to create their own branded stablecoins. They also perform important services such as introducing customers to issuers and operating front-end applications. Because they do not mint or redeem stablecoins, manage reserve assets, or "participat[e] in financial services relating to digital asset issuance," 91 Fed. Reg. at 10,203 n.11, the OCC's final rule should explicitly exclude them from the definitions of permitted payment stablecoin issuers and digital asset service providers to confirm that the obligations that apply to issuers and digital asset service providers do not apply to them.

The OCC requested comments on potential "modifications to the reporting requirements, including the reserve asset composition report . . . appropriate for arrangements where one issuer issues multiple stablecoins under different brands (e.g., white label arrangements)." 91 Fed. Reg. at 10,258. The OCC should ensure that issuers would not be required to report information at the deployer or distributor level to avoid duplication of the issuer's reports at the issuer or issuance level. Instead, the OCC should give issuers the option to choose whether to satisfy reporting obligations at the deployer or distributor level.

G. The OCC should explicitly provide that managing foreign-exchange risk is a permissible activity for stablecoin issuers whose stablecoins are not denominated in U.S. dollars.

The OCC requested comments on whether it should "explicitly provide that managing foreign exchange risk is a permissible activity for the issuers of stablecoins that are not denominated in the United States dollar." 91 Fed. Reg. at 10,252. Although the Association does not think that clarification is necessary for certain types of stablecoin issuer licenses, the explicit clarification is beneficial to remove any ambiguity. A stablecoin issuer that issues a coin pegged to the value of a foreign currency faces the same sort of foreign-exchange risk as a bank that holds foreign currency or derivatives based on foreign currency and should prudently manage such risk. Banks are permitted (and required) to manage their foreign-exchange risk. Stablecoin issuers should likewise be permitted to do so, provided they "[do] not use foreign exchange risk management as a pretext to engage in speculation[.]" 91 Fed. Reg. at 10,252.

H. The OCC should clarify that the disclosure and attestation regime includes stablecoins issued by affiliates as part of the same issuance structure.

The Proposed Rule requests comments on whether "outstanding issuance value'' should "include the par value of non-consolidated affiliates[.]" 91 Fed. Reg. at 10,251. The OCC should ensure that there is flexibility—particularly for multi-issuer stablecoin models—to capture key information at the brand-level so that regulators, counterparties, and holders can understand the full circulating supply, aggregate reserve position, and allocation of redemption responsibility across the brand. This approach would ensure that any regulatory requirements—including reserve-asset calculations and mandatory reporting—take into account the economic model of a stablecoin brand whether it is issued by one or more affiliates. This definition is particularly important for any stablecoin issuer that seeks to offer or redeem stablecoins globally, and would have to meet local

regulations that may necessitate issuance, redemption, and reserve-asset maintenance through a separate, locally regulated entity.

VIII. Other technical comments.

A. The final rule should continue to allow stablecoin issuers to hold non-payment stablecoin crypto assets as necessary to engage in permissible business activities.

In the preamble to the Proposed Rule, the OCC recognizes that because stablecoin issuers can pay fees to facilitate customer transactions, including on other distributed ledgers, "the issuer may have to hold non-payment stablecoin crypto-assets to facilitate the payment of these transaction fees." 91 Fed. Reg. at 10,211. The OCC also requested comments on whether "permitted payment stablecoin issuers need to hold crypto-assets . . . for other purposes beyond paying transaction fees or testing a distributed ledger[.]" *Id.* at 10,252.

There are other such purposes. For example, a stablecoin issuer may need to hold digital assets on a distributed ledger to gain network-wide benefits. One blockchain requires issuers to stake one million tokens of a particular cryptocurrency for their stablecoins to be distributed on that blockchain.[20] It would be impossible to enumerate all such present and future needs for issuers to hold cryptocurrency. To avoid imposing impracticable and unnecessary burdens on issuers, the OCC should stick with the approach in the Proposed Rule and impose no limits on issuers' crypto holdings other than restricting reserve assets to the categories provided for in the GENIUS Act.

B. Extended examination cycles should be based on issuance value.

Proposed Section 15.14(d)(3) provides that the OCC may conduct examinations during every "18- to 36-month period" rather than during "each 12-month period" if the issuer, among other things, "has an outstanding issuance value of less than $1 billion or less than $25 billion in total monthly trading volume." 91 Fed. Reg. at 10,293. An issuer would qualify for an extended examination period based on its outstanding issuance value. The OCC should not base qualification for the extended examination on trading volume. It would be technically difficult for issuers to measure stablecoin transactions that are purchased or sold on exchanges versus transactions that are primarily payments or used in treasury management.

C. If the final rule requires issuers to be able to block, seize, or freeze stablecoins, the OCC should impose only a functional requirement.

The Proposed Rule mentions that "[c]ertain stablecoin issuers have the capability to freeze funds or block transactions involving their stablecoin, which they may do, for example, to effectuate a court order." 91 Fed. Reg. at 10,202. The OCC appropriately contemplates that stablecoin issuers must be capable of complying with valid legal processes, including lawful orders from courts or other government authorities. The OCC should clarify that this requirement is a functional one, and that the manner in which an issuer satisfies the requirement is left to the issuer based on its technological design and operational model.

Stablecoins are deployed across a wide range of architectures—including account-based systems, token-based smart contracts, and hybrid or multi-chain environments—and the technical means by which an issuer may prevent transfers, restrict access, or otherwise comply with lawful orders will

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[20] *See Aligned Quote Assets*, Hyperliquid (accessed May 1, 2026), https://tinyurl.com/7rudnvck.

necessarily vary across these models. A rigid or implied requirement that issuers implement specific smart contract features or centralized controls could inadvertently exclude otherwise compliant and secure designs, undermine innovation, and create operational or cybersecurity risks. Consistent with the GENIUS Act's directive that regulatory requirements be tailored to the business model and risk profile of issuers, the OCC should clarify that issuers may satisfy lawful-order compliance obligations through any reasonable, auditable, and effective mechanism, including but not limited to smart contract controls, off-chain controls, custodial arrangements, or other technical or governance-based solutions appropriate to the system.

IX. The OCC's regulatory impact analysis should account more fully for competition from adjacent digital-dollar products, including tokenized deposits.

In addition to these substantive revisions, the OCC's regulatory impact analysis should reflect the reality that the consequences of its rule will not be confined to payment stablecoins viewed in isolation. Stablecoins increasingly compete in a broader market for digital-dollar instruments, and one of the most important adjacent products is the emerging category of tokenized deposits and other bank-connected digital-dollar arrangements. The relevant policy and economic questions are therefore not only whether the final rule will facilitate stablecoin issuance on a standalone basis, but also how the final rule's design choices will affect competition among different kinds of digital-dollar products that may serve overlapping payment, settlement, and treasury functions.

That omission matters because the public debate around stablecoins has already turned in significant part on effects on the banking system. Commentators and trade groups have argued that stablecoins may draw transactional balances away from banks, while other public analyses have argued that those effects are smaller, more concentrated, or partly offset by other dynamics. Either way, the existence of that debate confirms that digital-dollar design choices can have meaningful competitive and market-structure consequences. An OCC rule that makes payment stablecoins more or less usable, more or less redeemable, or more or less operationally practical will necessarily influence how they compete against bank-based alternatives, including tokenized deposits.

The OCC must consider these issues in connection with each of the substantive choices it makes in the final rule. For example, the OCC must explain how the choices it makes in imposing requirements on stablecoin issuers account for the market reality that digital-dollar instruments are developing across multiple product forms at once, and that the real-world consequences of the OCC's stablecoin regulations will depend on how stablecoins compare to alternative products on utility, speed, operational flexibility, and customer experience, and the extent to which the OCC's policy choices make stablecoins more or less competitive compared to those alternative products on these and other metrics. At minimum, the OCC needs to broaden its regulatory impact analysis to account for that competition more directly. A more fulsome analysis of the expected effects of the OCC's rule would be more realistic and better aligned with market conditions, and ensure that the OCC's final rule is consistent with the Congress's and the agency's goal of promoting fair competition and responsible innovation in this emerging new industry.

Conclusion

We appreciate the opportunity to comment on the Proposed Rule. The OCC should adopt the Proposed Rule with the above-described revisions. In doing so, the OCC should ensure that the final framework protects the economic integrity of payment stablecoins while preserving the operational utility, settlement speed, and flexibility that users and market participants increasingly

expect from digital-dollar instruments. The Association welcomes the opportunity to meet with the OCC to address any questions regarding this comment letter.

Respectfully submitted,

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