BLOCKCHAIN ASSOCIATION

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September 29, 2025

The Honorable Tim Scott
Chairman, Senate Committee on Banking,
Housing, and Urban Affairs
Washington, D.C. 20510

The Honorable Elizabeth Warren
Ranking Member, Senate Committee
on Banking, Housing, and Urban Affairs
Washington, D.C. 20510

The Honorable French Hill
Chairman, House Committee on
Financial Services
Washington, D.C. 20515

The Honorable Maxine Waters
Ranking Member, House Committee on
Financial Services
Washington, D.C. 20515

Dear Chairman Scott, Ranking Member Warren, Chairman Hill, and Ranking Member Waters,

On behalf of leading stablecoin issuers and digital asset companies, we thank you for your leadership in advancing a responsible framework for dollar-denominated stablecoins. We write to express our strong and continuing support for the GENIUS Act – and to underscore why this bipartisan achievement must remain the foundation for U.S. digital-asset policy.

GENIUS Is Settled Law

The passage of the GENIUS Act this past July was a historic milestone following years of bipartisan engagement and debate – and the first major digital assets legislation ever enacted by Congress and signed by the President. The law provides long-needed regulatory clarity while ensuring one-to-one reserves for issuers, federal supervision, and strict transparency. This framework is among the strongest in the world and gives entrepreneurs the certainty to build in the United States rather than abroad.

The Banks' Arguments Are Misleading – and Self-Serving

Big banks are dusting off a predictable playbook using the 'loophole' trope whenever there is competition, claiming that stablecoins will drain deposits, shrink credit, and cause banks to stop paying interest. These arguments are not just misleading – they are backwards. Indeed, ironically, the same mega banks that caused the 2008 crisis have since captured trillions of dollars in deposits, dramatically increasing their market dominance at the expense of smaller banks.[1]

Stablecoins are not a threat to consumers or credit markets. They are a threat to incumbents and an outdated system. Consider the facts:

- U.S. bank deposits exceed $18 trillion.[2] The entire global stablecoin market is just $277 billion.[3]

[1] Rachel Louise Ensign, *Biggest Three Banks Gobble Up $2.4 Trillion in New Deposits Since Crisis*, The Wall Street Journal, (March 22, 2018), https://www.wsj.com/articles/biggest-three-banks-gobble-up-2-4-trillion-in-new-deposits-since-crisis-1521711001.
[2] Board of Governors of the Federal Reserve System (US), Deposits, All Commercial Banks, retrieved from FRED, Federal Reserve Bank of St. Louis (September 18, 2025), https://fred.stlouisfed.org/series/DPSACBW027SBOG.
[3] The Block, Total Stablecoin Supply, (September 18, 2025), https://www.theblock.co/data/stablecoins/usd-pegged/total-stablecoin-supply.

- Stablecoins pose no threat to community bank deposits. A recent study[4] found no statistically significant relationship between stablecoin adoption and community bank deposit outflows.
- Stablecoins already support tens of billions of dollars in on-chain lending, expanding credit supply rather than contracting it.

In truth, the “no-yield” clause in GENIUS exists because banks lobbied for it.[5] They sought to shield their deposit base from competition. To now argue that the same provision will harm consumers is disingenuous at best. The law does not prevent banks from offering competitive higher yields on deposits, as they should for consumers.

Don’t Let Incumbents Rewrite History

GENIUS was overwhelmingly bipartisan and carefully negotiated with all stakeholders – including banks. It shows that innovation and consumer protection can go hand in hand. Attempts to roll it back would undermine regulatory certainty, chill investment, and send the wrong signal to innovators choosing where to build.

Stablecoins are not a risk to be contained — they are an upgrade to a system that has long underserved consumers. They offer 24/7 settlement, lower costs, and new credit models that bypass outdated bottlenecks. They pressure banks not to retaliate, but to innovate and modernize. As Fed Vice Chair for Supervision Michelle Bowman noted:[6]

> We must choose whether to embrace the change and help shape a framework that will be reliable and durable — or to stand still and allow new technology to bypass the traditional banking system altogether.

The choice is clear. GENIUS is settled law. It is working. And it must be defended.

We thank you for your continued leadership in championing American competitiveness, consumer protection, and financial inclusion. The future of finance is being built now – and thanks to your work, the United States is firmly positioned to lead.

Sincerely,

Summer Mersinger
CEO
Blockchain Association

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[4] Charles River Associates, *Stablecoins’ impact on community bank deposits*, (July 18, 2025), https://media.crai.com/wp-content/uploads/2025/07/30121221/Stablecoins-impact-on-community-bank-deposits-July2025.pdf.
[5] Statement for the Record On Behalf of the American Bankers Association before the Senate Committee on Banking, Housing, and Urban Affairs (March 13, 2025), https://www.aba.com/-/media/documents/letters-to-congress-and-regulators/sfrgeniusact20250313.pdf?rev=8b45e16c68604be68162d4e14432ac35.
[6] Vice Chair for Supervision Michelle W. Bowman, Speech at the Wyoming Blockchain Symposium 2025, Teton Village, Wyoming (August 19, 2025), https://www.federalreserve.gov/newsevents/speech/bowman20250819a.htm