BLOCKCHAIN ASSOCIATION

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THEBLOCKCHAINASSOCIATION.ORG

December 18, 2025

The Honorable Tim Scott, Chairman
The Honorable Elizabeth Warren, Ranking Member
U.S. Senate Committee on Banking, Housing, and Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Scott and Ranking Member Warren:

We, the undersigned organizations and companies, write to oppose efforts to reinterpret and expand the GENIUS Act's prohibition on interest or yield beyond what Congress enacted. Proposals to limit or prohibit rewards or incentives offered by platforms or other third parties in secondary markets would reopen a settled issue, undermine a carefully negotiated compromise, reduce consumer choice, suppress competition, and inject uncertainty into the implementation of a new law before regulations have even been proposed.

GENIUS reflects a deliberate and calibrated balance. Congress prohibited stablecoin issuers from paying interest or yield to those holding stablecoins, while intentionally preserving the ability of platforms, intermediaries, and other third parties to offer lawful rewards or incentives to consumers. That distinction was not accidental. It addresses the balance-sheet and perceived maturity-transformation risks associated with stablecoin issuance while allowing services that distribute and enable the use of stablecoins to innovate on payment experiences and provide customer choice at the application layer.

The push to restrict stablecoin rewards beyond that agreed to in GENIUS is not a technical refinement or a consumer protection fix. It would prohibit the same types of incentive programs for stablecoin payments that banks have long offered on credit cards and other types of payment services, even though bank deposit-taking and lending activities create far more balance sheet and maturity-transformation risk than GENIUS-regulated stablecoin issuers. The result would be fewer choices for consumers, greater market concentration in the hands of a small number of firms, and less competition in payments and financial services. Due to this asymmetry, the digital asset and fintech ecosystem views this proposal as overtly protectionist, rather than principled.

The consumer impact is real. With the federal funds rate at approximately 3.50–3.75%, average checking account yields remain near 0.07% and savings accounts around 0.40%.[1] Stablecoin rewards programs enable platforms to share value directly with users, helping households benefit from higher-rate environments rather than absorbing losses to inflation. Eliminating or curtailing these programs would take money directly out of consumers' pockets at a time when Congress is rightly focused on affordability, cost-of-living pressures, and household financial resilience.

[1] https://www.federalreserve.gov/newsevents/pressreleases/monetary20251210a.htm

Evidence does not support claims that stablecoin rewards threaten community banks or lending capacity. For example, a Charles River Associates analysis of stablecoin adoption from 2019 to 2025 found no evidence of disproportionate deposit outflows from community banks.[2] Moreover, it is difficult to reconcile claims that banks are genuinely constrained by deposits against the roughly $2.9 trillion of bank reserve balances currently earning interest at the Federal Reserve rather than being deployed into loans.[3] Opposition to stablecoin rewards reflects protection of incumbent revenue models, not safety-and-soundness concerns.

Just as importantly, the potential benefits of payment stablecoins will not be realized if these types of payments cannot compete on a level playing field with other payment mechanisms. Rewards and incentives are a standard feature of competitive markets where network effects and switching costs are high—including today's markets for payment services. Stablecoins offer consumers concrete advantages over legacy payment systems—faster settlement, lower transaction costs, and greater transparency—and rewards are a critical tool for encouraging adoption. Removing incentives prevents competition and unfairly disadvantages a new technology before it can take hold.

Reopening this issue before the GENIUS Act's implementation would weaken the certainty that defines Congressional-enacted regulatory frameworks and introduce unnecessary risk into the broader market structure effort. It would signal that even recently enacted compromises remain subject to almost immediate renegotiation, undermining the predictability that markets, consumers, and innovators rely on. More fundamentally, forcing any change to the economics of stablecoin distribution at this stage risks fracturing the bipartisan and industry support necessary for any market structure bill itself to succeed.

For these reasons, we urge Congress to reject any effort—whether in market structure legislation or elsewhere—to limit or prohibit lawful rewards offered by platforms or other third parties consistent with GENIUS. Preserving the balance Congress struck is essential to protecting consumers, fostering competition, and ensuring that market structure legislation can advance on a bipartisan and durable basis, rather than becoming a vehicle for entrenching legacy interests at the expense of innovation.

Sincerely,

[2] https://www.crai.com/insights-events/publications/study-from-cra-about-impact-of-stablecoins-adoption-on-community-bank-deposits/
[3] https://fred.stlouisfed.org/series/TOTRESNS

Blockchain Association
Alabama Blockchain Alliance
American Fintech Council
Atlanta Blockchain Center
Bitcoin Policy Institute
Chamber of Progress
Connecticut Blockchain Association
Crypto Council for Innovation
Decentralization Research Center
DeFi Education Fund
Detroit Blockchain Collective
Devils DAO
FutureTech Georgia
General Catalyst Institute
Glacier Crypto Alliance
Minnesota Blockchain Initiative
New Jersey Innovation and Technology Alliance
North American Blockchain Association
North Carolina Blockchain & AI Initiative
North Dakota Blockchain Institute
Payment Choice Coalition
Solana Policy Institute
South Carolina Emerging Technology Assoc. Inc.
Stand With Crypto
Stand With Crypto Alaska Chapter
Stand With Crypto Arizona Chapter
Stand With Crypto California Chapter
Stand With Crypto Colorado Chapter
Stand With Crypto Connecticut Chapter
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Stand With Crypto Illinois Chapter
Stand With Crypto Indiana Chapter
Stand With Crypto Iowa Chapter
Stand With Crypto Kansas Chapter
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Stand With Crypto Michigan Chapter
Stand With Crypto New Hampshire Chapter
Stand With Crypto New Jersey Chapter
Stand With Crypto New York Chapter
Stand With Crypto Ohio Chapter
Stand With Crypto Pennsylvania Chapter
Stand With Crypto Rhode Island Chapter
Stand With Crypto South Carolina Chapter
Stand With Crypto Washington Chapter
Stand With Crypto West Virginia Chapter
Stand With Crypto Wisconsin Chapter
Texas Blockchain Council
The Digital Chamber
TriStar Technology Council
Vegas Crypto Group
Web3DC
West Coast Mining Hub
West Virginia Blockchain Foundation
Wisconsin Blockchain Business Council

6th Man Ventures
a16z Crypto
Algorand Foundation
Ampersand Labs
ARK Ecosystem
Avalanche Policy Coalition
BitGo, Inc.
Blockchain Capital
Boundless Networks
Chia Network
CLIC Capital
Coinbase
Consensys Software, Inc.
Creator Strategy
DCG
Digital Ascension Group
DocuHero
Douro Labs
Electric Coin Co.
Endaoment
Ethena Labs
Exodus
FalconX
Figment, Inc.
Fortris Global
Gemini
Horizen Labs, Inc.
Injective Foundation
Inoa
IoTeX
Kraken
Krypton
LearnVille, Ed Tech
Ledger
Lightspark
Matter Labs
MetaPhysical LLC
Monarq Asset Management
Multicoin Capital
Mysten Labs
Notabene
Nvlope Technologies
Offchain Labs
Onchain Media
Ondo Finance, Inc.
Open World, Inc.
Orca Creative
Paradigm
Paxos
PayPal
Phantom
Plasma
Predicate
Prevail Coffee
Rain
Rayo Capital
Ribbit Capital
Ripple
SaaSy Labs, Inc.
Satellite Spirits
Sei Development Foundation
SoFi
Stripe
Tephra Digital
Toku
True Markets
Union Labs
Uniswap Foundation
Uniswap Labs
Variant
Veda
Wintermute

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AFC American Fintech Council

Atlanta Blockchain Center

Bitcoin Policy Institute

CHAMBER OF PROGRESS

CONNECTICUT BLOCKCHAIN ASSOCIATION

Crypto Council for Innovation

DRC Decentralization Research Center

DEF DeFi Education Fund

DETROIT BLOCKCHAIN COLLECTIVE

Devils DAO

FTGA

GENERAL CATALYST INSTITUTE

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NABA NORTH AMERICAN BLOCKCHAIN ASSOCIATION

NCB-AI INITIATIVE

PCC PAYMENT CHOICE COALITION

SOLANA POLICY INSTITUTE

SOUTH CAROLINA EMERGING TECH

STAND WITH CRYPTO

TEXAS BLOCKCHAIN COUNCIL

THE DIGITAL CHAMBER

TRI-STAR TECHNOLOGY COUNCIL

THE VEGAS CRYPTO GROUP

WEST VIRGINIA BLOCKCHAIN FOUNDATION

Wisconsin Blockchain Business Council

6MV
a16zcrypto
Algorand
Ampersand Labs
The first open financial OS
Avalanche Policy Coalition

BitGo
BLOCKCHAIN CAPITAL
chia
CLIC
coinbase

consensys
DCG
DIGITAL ASCENSION GROUP
DocuHero
DOUROLABS

ELECTRIC COIN CO.
Endaoment
Ethena
EXODUS
FALCONX
F Figment

GEMINI
HORIZEN LABS
Injective
IoTeX
kraken

KRYPTON
LEARNVILLE
EdTech For Equity and Excellence
LEDGER
lightspark
Matter Labs

MONARQ ASSET MANAGEMENT
Multicoin / Capital
NOTA BENE
OFFCHAIN LABS

onchain media
Ondo
OpenWorld
ORCA
Paradigm
PAXOS

phantom
PREDICATE
Prevail
COFFEE ROASTERS
rain

RAYO
RIBBIT
ripple
SaaSyLabs
SEI DEVELOPMENT FOUNDATION
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stripe
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Uniswap Labs
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