

[DISCUSSION DRAFT]

119TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To provide for the regulation of payment stablecoins, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

Mr. STEIL (for himself and Mr. HILL of Arkansas) introduced the following bill; which was referred to the Committee on

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**A BILL**

To provide for the regulation of payment stablecoins, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Stablecoin Trans-  
5 parency and Accountability for a Better Ledger Economy  
6 Act of 2025” or the “STABLE Act of 2025”.

7 **SEC. 2. DEFINITIONS.**

8 In this Act:

1           (1) APPROPRIATE FEDERAL BANKING AGEN-  
2           CY.—The term “appropriate Federal banking agen-  
3           cy” has the meaning given that term under section  
4           3 of the Federal Deposit Insurance Act (12 U.S.C.  
5           1813).

6           (2) BANK SECRECY ACT.—The term “Bank Se-  
7           crecy Act” means—

8                   (A) section 21 of the Federal Deposit In-  
9                   surance Act (12 U.S.C. 1829b);

10                   (B) chapter 2 of title I of Public Law 91-  
11                   508 (12 U.S.C. 1951 et seq.); and

12                   (C) subchapter II of chapter 53 of title 31,  
13                   United States Code.

14           (3) BOARD.—The term “Board” means the  
15           Board of Governors of the Federal Reserve System.

16           (4) COMPTROLLER.—The term “Comptroller”  
17           means the Comptroller of the Currency.

18           (5) CORPORATION.—The term “Corporation”  
19           means the Federal Deposit Insurance Corporation.

20           (6) DIGITAL ASSET.—The term “digital asset”  
21           means any digital representation of value which is  
22           recorded on a cryptographically-secured distributed  
23           ledger.

24           (7) DISTRIBUTED LEDGER.—The term “distrib-  
25           uted ledger” means technology where data is shared

1 across a network that creates a public digital ledger  
2 of verified transactions or information among net-  
3 work participants and the data is linked using cryp-  
4 tography to maintain the integrity of the public dig-  
5 ital ledger and execute other functions.

6 (8) FEDERAL QUALIFIED NONBANK PAYMENT  
7 STABLECOIN ISSUER.—The term “Federal qualified  
8 nonbank payment stablecoin issuer” means a sub-  
9 sidiary of a nonbank entity approved by the primary  
10 Federal payment stablecoin regulator, pursuant to  
11 section 5, to issue payment stablecoins.

12 (9) INSTITUTION-AFFILIATED PARTY.—With re-  
13 spect to a permitted payment stablecoin issuer, the  
14 term “institution-affiliated party” means any direc-  
15 tor, officer, employee, or person in control of, or  
16 agent for, the permitted payment stablecoin issuer.

17 (10) INSURED CREDIT UNION.—The term “in-  
18 sured credit union” has the meaning given that term  
19 in section 101 of the Federal Credit Union Act (12  
20 U.S.C. 1752).

21 (11) INSURED DEPOSITORY INSTITUTION.—The  
22 term “insured depository institution” means—

23 (A) an insured depository institution, as  
24 defined in section 3 of the Federal Deposit In-  
25 surance Act (12 U.S.C. 1813); and

1 (B) an insured credit union.

2 (12) MONETARY VALUE.—The term “monetary  
3 value”—

4 (A) means—

5 (i) a national currency; or

6 (ii) deposit (as defined in section 3 of  
7 the Federal Deposit Insurance Act (12  
8 U.S.C. 1813)) that is denominated in a na-  
9 tional currency; and

10 (B) does not include any agricultural or  
11 other physical commodity (as defined in section  
12 1a of the Commodity Exchange Act (7 U.S.C.  
13 1a).

14 (13) MONEY.—The term “money” means any  
15 financial instrument that is legal tender, is required  
16 to be received by a taxing authority in satisfaction  
17 of tax obligations, or is widely accepted in an econ-  
18 omy for the payments of goods or services.

19 (14) NATIONAL CURRENCY.—The term “na-  
20 tional currency” means a Federal Reserve note, (as  
21 the term is used in the first undesignated paragraph  
22 of section 16 of the Federal Reserve Act (12 U.S.C.  
23 411)), money standing to the credit of an account  
24 with a Federal reserve bank, money issued by a cen-  
25 tral bank, and money issued by an intergovern-

1       mental organization pursuant to an agreement by  
2       one or more governments.

3               (15) NONBANK ENTITY.—The term “nonbank  
4       entity” means a person that is not an insured deposi-  
5       tory institution or subsidiary of an insured deposi-  
6       tory institution.

7               (16) PAYMENT STABLECOIN.—The term “pay-  
8       ment stablecoin” means a digital asset—

9                       (A) that is or is designed to be used as a  
10       means of payment or settlement;

11                      (B) that is denominated in a national cur-  
12       rency;

13                      (C) the issuer of which—

14                               (i) is obligated to convert, redeem, or  
15       repurchase for a fixed amount of monetary  
16       value; or

17                               (ii) represents that the digital asset  
18       will maintain or creates the reasonable ex-  
19       pectation that the digital asset will main-  
20       tain a stable value relative to the value of  
21       a fixed amount of monetary value; and

22                      (D) that is not—

23                               (i) a national currency;

24                               (ii) a security issued by an investment  
25       company registered under section 8(a) of

1 the Investment Company Act of 1940 (15  
2 U.S.C. 80a–8(a)); or

3 (iii) a deposit (as defined under sec-  
4 tion 3 of the Federal Deposit Insurance  
5 Act).

6 (17) PERMITTED PAYMENT STABLECOIN  
7 ISSUER.—The term “permitted payment stablecoin  
8 issuer” means—

9 (A) a subsidiary of an insured depository  
10 institution that has been approved to issue pay-  
11 ment stablecoins under section 5;

12 (B) a Federal qualified nonbank payment  
13 stablecoin issuer; or

14 (C) a State qualified payment stablecoin  
15 issuer.

16 (18) PERSON.—The term “person” means an  
17 individual, partnership, company, corporation, asso-  
18 ciation (incorporated or unincorporated), trust, es-  
19 tate, cooperative organization, or other entity.

20 (19) PRIMARY FEDERAL PAYMENT STABLECOIN  
21 REGULATOR.—

22 (A) IN GENERAL.—The term “primary  
23 Federal payment stablecoin regulator” means—

24 (i) with respect to an insured deposi-  
25 tory institution (other than an insured

1 credit union) or a subsidiary of an insured  
2 depository institution (other than an in-  
3 sured credit union), the appropriate Fed-  
4 eral banking agency of such insured depos-  
5 itory institution;

6 (ii) with respect to an insured credit  
7 union or a subsidiary of an insured credit  
8 union, the National Credit Union Adminis-  
9 tration;

10 (iii) with respect to a Federal quali-  
11 fied nonbank payment stablecoin issuer  
12 and any nonbank entity that seeks to have  
13 a subsidiary approved as a Federal quali-  
14 fied nonbank payment stablecoin issuer,  
15 the Comptroller; and

16 (iv) with respect to any entity char-  
17 tered by the Comptroller, the Comptroller.

18 (B) PRIMARY FEDERAL PAYMENT  
19 STABLECOIN REGULATORS.—The term “pri-  
20 mary Federal payment stablecoin regulators”  
21 means the Comptroller, the Board, the Corpora-  
22 tion, and the National Credit Union Adminis-  
23 tration.

24 (20) REGISTERED PUBLIC ACCOUNTING  
25 FIRM.—The term “registered public accounting

1 firm” has the meaning given that term under section  
2 of the Sarbanes-Oxley Act of 2002 (15 U.S.C.  
3 7201).

4 (21) STATE.—The term “State” means each of  
5 the several States, the District of Columbia, and  
6 each territory of the United States.

7 (22) STATE QUALIFIED PAYMENT STABLECOIN  
8 ISSUER.—The term “State qualified payment  
9 stablecoin issuer” means an entity that—

10 (A) is legally established and approved to  
11 issue payment stablecoins by a State payment  
12 stablecoin regulator; and

13 (B) issues a payment stablecoin in compli-  
14 ance with a State regulatory regime certified  
15 under section 4(b).

16 (23) STATE PAYMENT STABLECOIN REGU-  
17 LATOR.—The term “State payment stablecoin regu-  
18 lator” means a State agency that has primary regu-  
19 latory and supervisory authority in such State over  
20 entities that issue payment stablecoins.

21 (24) SUBSIDIARY OF AN INSURED CREDIT  
22 UNION.—With respect to an insured credit union,  
23 the term “subsidiary of an insured credit union”  
24 means—

1 (A) an organization providing services to  
2 the insured credit union that are associated  
3 with the routine operations of credit unions, as  
4 described under section 107(7)(I) of the Fed-  
5 eral Credit Union Act (12 U.S.C. 1757(7)(I));  
6 and

7 (B) a credit union service organization, as  
8 such term is used under part 712 of title 12,  
9 Code of Federal Regulations, with respect to  
10 which the insured credit union has an owner-  
11 ship interest or to which the insured credit  
12 union has extended a loan.

13 **SEC. 3. LIMITATION ON WHO MAY ISSUE A PAYMENT**  
14 **STABLECOIN.**

15 It shall be unlawful for any person other than a per-  
16 mitted payment stablecoin issuer to issue a payment  
17 stablecoin for use by any person in the United States.

18 **SEC. 4. REQUIREMENTS FOR ISSUING PAYMENT**  
19 **STABLECOINS.**

20 (a) **STANDARDS FOR THE ISSUANCE OF PAYMENT**  
21 **STABLECOINS.—**

22 (1) **IN GENERAL.—**Each permitted payment  
23 stablecoin issuer shall—

1 (A) maintain reserves backing the issuer's  
2 outstanding payment stablecoins on an at least  
3 1 to 1 basis, with reserves comprising—

4 (i) United States currency (including  
5 Federal reserve notes) or money standing  
6 to the credit of an account with a Federal  
7 reserve bank;

8 (ii) funds held as demand deposits (or  
9 other deposits that may be withdrawn  
10 upon request at any time) at insured de-  
11 pository institutions (including foreign  
12 branches and agencies of insured deposi-  
13 tory institutions) or approved foreign de-  
14 pository institutions (as defined in para-  
15 graph (4)(iv)) or insured shares at insured  
16 depository institutions, subject to limita-  
17 tions established by the Corporation and  
18 the National Credit Union Administration,  
19 respectively, to address safety and sound-  
20 ness risks of such insured depository insti-  
21 tutions;

22 (iii) Treasury bills, notes, or bonds—  
23 (I) with a remaining maturity of  
24 30 days or less; or

1 (II) issued with a maturity of 93  
2 days or less;

3 (iv) repurchase agreements, wherein  
4 the permitted payment stablecoin issuer is  
5 acting as a seller of securities, or reverse  
6 repurchase agreements, wherein the per-  
7 mitted payment stablecoin issuer is acting  
8 as a purchaser of securities, with a matu-  
9 rity of 7 days or less that are backed by  
10 Treasury bills with a maturity of 93 days  
11 or less that are—

12 (I) centrally cleared through a  
13 clearing agency registered with the  
14 Securities and Exchange Commission;  
15 or

16 (II) bilateral, settling either  
17 through delivery versus payment or  
18 through a tri-party control account,  
19 with a counterparty that the issuer  
20 has determined to be adequately cred-  
21 it worthy even in the event of severe  
22 market stress;

23 (v) securities issued by an investment  
24 company under section 8(a) of the Invest-  
25 ment Company Act of 1940 that operates

1 as a money market fund in compliance  
2 with Rule 2a-7 under the Investment Com-  
3 pany Act of 1940 (or any successor rule)  
4 and that are invested solely in the under-  
5 lying assets described in clauses (i)  
6 through (iv); or

7 (vi) any other similarly high quality  
8 and liquid asset approved pursuant to  
9 paragraph (4)(v);

10 (B) publicly disclose the issuer's redemp-  
11 tion policy;

12 (C) establish procedures for timely redemp-  
13 tion of the issuer's outstanding payment  
14 stablecoins; and

15 (D) publish a report on the monthly com-  
16 position of the issuer's reserves on the website  
17 of the issuer, containing—

18 (i) the total number of outstanding  
19 payment stablecoins issued by the issuer;  
20 and

21 (ii) the amount and composition of  
22 the reserves described under subparagraph  
23 (A).

24 (2) PROHIBITION ON REHYPOTHECATION.—Re-  
25 serves described under paragraph (1)(A) may not be

1 pledged, rehypothecated, or reused, except for the  
2 purpose of satisfying obligations associated with re-  
3 serves described under paragraph (1)(A)(iv) if the  
4 permitted payment stablecoin issuer receives the  
5 prior approval of the primary Federal payment  
6 stablecoin regulator or the State payment stablecoin  
7 regulator.

8 (3) MONTHLY CERTIFICATION; EXAMINATION  
9 OF REPORTS BY REGISTERED PUBLIC ACCOUNTING  
10 FIRM.—

11 (A) IN GENERAL.—A permitted payment  
12 stablecoin issuer shall, each month, have the in-  
13 formation disclosed in the previous month-end  
14 report required under paragraph (1)(D) exam-  
15 ined by a registered public accounting firm.

16 (B) CERTIFICATION.—Each month, the  
17 Chief Executive Officer and Chief Financial Of-  
18 ficer of a permitted payment stablecoin issuer  
19 shall submit a certification as to the accuracy  
20 of the previous month-end report to—

21 (i) the primary Federal payment  
22 stablecoin regulator; or

23 (ii) in the case of a State qualified  
24 payment stablecoin issuer, to the State  
25 payment stablecoin regulator.

1 (C) CRIMINAL PENALTY.—Any person who  
2 submits a certification required under subpara-  
3 graph (B) knowing that such certification is  
4 false shall be subject to the criminal penalties  
5 set forth under section 1350(c) of title 18,  
6 United States Code.

7 (4) CAPITAL, LIQUIDITY, RISK MANAGEMENT,  
8 AND OTHER REQUIREMENTS.—

9 (A) IN GENERAL.—The primary Federal  
10 payment stablecoin regulators shall, jointly,  
11 issue—

12 (i) capital requirements applicable to  
13 permitted payment stablecoin issuers,  
14 which may not exceed an amount that is  
15 sufficient to ensure the permitted payment  
16 stablecoin issuer’s ongoing operations;

17 (ii) requirements implementing liquid-  
18 ity standards applicable to reserves de-  
19 scribed in paragraph (1) for permitted  
20 payment stablecoin issuers, which may not  
21 exceed an amount that is sufficient to en-  
22 sure the financial integrity of the per-  
23 mitted payment stablecoin issuer and the  
24 ability of the issuer to meet the financial

1 obligations of the issuer, including redemp-  
2 tions;

3 (iii) risk management requirements  
4 applicable to permitted payment stablecoin  
5 issuers, including cybersecurity risk, tai-  
6 lored to the business model and risk profile  
7 of the permitted payment stablecoin issuer;

8 (iv) requirements regarding the ap-  
9 proval of foreign depository institutions  
10 that may hold demand deposits of per-  
11 mitted payment stablecoin issuers; and

12 (v) such rules as may be appropriate  
13 to permit assets in addition to those de-  
14 scribed under paragraph (1)(A) to be held  
15 as reserves by permitted payment  
16 stablecoin issuers.

17 (B) TAILORING OF REQUIREMENTS.—The  
18 primary Federal payment stablecoin regulators  
19 shall, in issuing requirements under this para-  
20 graph, tailor or differentiate such requirements  
21 among permitted payment stablecoin issuers on  
22 an individual basis or by category, taking into  
23 consideration such issuers' capital structure,  
24 business model, risk profile, complexity, finan-  
25 cial activities (including financial activities of

1 any subsidiaries), size, and any other risk-re-  
2 lated factors that the primary Federal payment  
3 stablecoin regulators determine appropriate.

4 (C) RULE OF CONSTRUCTION.—Nothing in  
5 this paragraph may be construed to limit the  
6 supervisory, regulatory, or enforcement author-  
7 ity of a Federal banking agency (as defined in  
8 section 3 of the Federal Deposit Insurance Act  
9 (12 U.S.C. 1813)) to further the ability of an  
10 institution under the supervision of the Federal  
11 banking agency to comply with this Act.

12 (D) APPLICABILITY OF EXISTING CAPITAL  
13 STANDARDS.—Section 171 of the Financial Sta-  
14 bility Act of 2010 (12 U.S.C. 5371) shall not  
15 apply to requirements issued under this para-  
16 graph.

17 (5) TREATMENT UNDER THE BANK SECRECY  
18 ACT.—A permitted payment stablecoin issuer shall  
19 be treated as a financial institution for purposes of  
20 the Bank Secrecy Act.

21 (6) LIMITATION ON PAYMENT STABLECOIN AC-  
22 TIVITIES.—A permitted payment stablecoin issuer  
23 may only—

24 (A) issue payment stablecoins;

25 (B) redeem payment stablecoins;

1 (C) manage related reserves (including  
2 purchasing, selling, and holding reserve assets);

3 (D) provide custodial or safekeeping serv-  
4 ices for payment stablecoins, private keys of  
5 payment stablecoins, and associated information  
6 of payment stablecoins;

7 (E) provide custodial or safekeeping serv-  
8 ices for reserves; and

9 (F) undertake other functions that directly  
10 support activities described in subparagraphs  
11 (A) through (E).

12 (7) REGULATION OF FEDERAL QUALIFIED  
13 NONBANK PAYMENT STABLECOIN ISSUERS BY THE  
14 COMPTROLLER.—A Federal qualified nonbank pay-  
15 ment stablecoin issuer shall be regulated and super-  
16 vised primarily by the Comptroller.

17 (b) STATE-LEVEL REGULATORY REGIMES.—

18 (1) IN GENERAL.—A State qualified payment  
19 stablecoin issuer may only issue payment stablecoins  
20 pursuant to the regulation of a State payment  
21 stablecoin regulator of a State with a regulatory re-  
22 gime for issuing payment stablecoins that is certified  
23 under this subsection as meeting or exceeding the  
24 standards and requirements described in subsection  
25 (a).

1 (2) CERTIFICATION.—

2 (A) IN GENERAL.—Beginning on the date  
3 that is 1 year after the date of enactment of  
4 this Act, a State payment stablecoin regulator  
5 may submit to the Secretary of the Treasury a  
6 certification that the regulatory regime of the  
7 State for issuing payment stablecoins meets or  
8 exceeds the standards and requirements de-  
9 scribed in subsection (a).

10 (B) VALIDITY OF CERTIFICATION.—A cer-  
11 tification under subparagraph (A) shall be valid  
12 upon submission and remain valid unless sub-  
13 ject to a rejection by the Secretary of the  
14 Treasury under paragraph (5).

15 (3) FORM OF CERTIFICATION.—An initial cer-  
16 tification described under paragraph (2)—

17 (A) shall contain an attestation that the  
18 regulatory regime of the State for issuing pay-  
19 ment stablecoins meets or exceeds the stand-  
20 ards and requirements described in subsection  
21 (a); and

22 (B) may include supporting information,  
23 such as a copy of any State law or regulation  
24 implementing such standards and requirements.

25 (4) ANNUAL REPORT AND ATTESTATION.—

1           (A) IN GENERAL.—A State payment  
2 stablecoin regulator with a valid certification  
3 under this subsection shall submit an annual  
4 report to the Secretary of the Treasury con-  
5 taining either—

6           (i) an attestation that the State regu-  
7 latory regime has not materially changed  
8 since the most recent annual report (or,  
9 for the first annual report, the initial cer-  
10 tification); or

11           (ii) an explanation of all material  
12 changes to the State regulatory regime  
13 since the most recent annual report (or,  
14 for the first annual report, the initial cer-  
15 tification).

16           (B) FORM OF MATERIAL CHANGES EXPLA-  
17 NATION.—With respect to a State payment  
18 stablecoin regulator that submits an expla-  
19 nation of material changes to the State regu-  
20 latory regime under subparagraph (A)(ii), the  
21 payment stablecoin regulator shall make such  
22 explanation in the same manner, and containing  
23 the same attestation, as described under para-  
24 graph (3) for an initial certification.

1           (5) ADVISORY OPINIONS ON PROPOSED LAWS  
2           OR REGULATIONS.—Upon request of any State pay-  
3           ment stablecoin regulator, the Secretary of the  
4           Treasury shall—

5                   (A) review any proposed law or regulation  
6                   of the State provided by the State payment  
7                   stablecoin regulator; and

8                   (B) not later than 30 days after being pro-  
9                   vided the proposed law or regulation, either—

10                           (i) inform the State payment  
11                           stablecoin regulator that the proposed law  
12                           or regulation is consistent with a State  
13                           regulatory regime for issuing payment  
14                           stablecoins that meets or exceeds the  
15                           standards and requirements described in  
16                           subsection (a); or

17                           (ii) provide the State payment  
18                           stablecoin regulator with a detailed expla-  
19                           nation of why the proposed law or regula-  
20                           tion is not consistent with a State regu-  
21                           latory regime for issuing payment  
22                           stablecoins that meets or exceeds the  
23                           standards and requirements described in  
24                           subsection (a).

1           (6) REGIMES THAT ARE NOT SUBSTANTIALLY  
2           SIMILAR.—

3           (A) IN GENERAL.—The Secretary of the  
4           Treasury may reject an initial certification  
5           under paragraph (3) or a certification with re-  
6           spect to which a State payment stablecoin regu-  
7           lator has submitted an explanation of material  
8           changes under paragraph (4), if the Secretary,  
9           not later than 30 days after the date on which  
10          the initial certification or explanation of mate-  
11          rial changes is submitted—

12           (i) determines that the State regu-  
13          latory regime does not meet or exceed the  
14          standards and requirements described in  
15          subsection (a); and

16           (ii) provides the State payment  
17          stablecoin regulator with a written expla-  
18          nation for the rejection, describing the rea-  
19          soned basis for the rejection with sufficient  
20          detail such that the State can bring the  
21          State regulatory regime into compliance  
22          based on the explanation.

23          (B) OPPORTUNITY TO CURE.—

24           (i) IN GENERAL.—With respect to a  
25          rejection described under subparagraph

1 (A), the Secretary of the Treasury shall  
2 provide the State payment stablecoin regu-  
3 lator with not less than a 180-day period  
4 from the date on which the State payment  
5 stablecoin regulator is notified of such re-  
6 jection to—

7 (I) make such changes as may be  
8 necessary to ensure the regulatory re-  
9 gime of the State for issuing payment  
10 stablecoins meets or exceeds the  
11 standards and requirements described  
12 in subsection (a); and

13 (II) resubmit the initial certifi-  
14 cation or explanation of material  
15 changes.

16 (ii) REJECTION.—If, after a State  
17 payment stablecoin regulator makes  
18 changes described under clause (i) during  
19 the period described in clause (i), the Sec-  
20 retary of the Treasury again determines  
21 that the certification should be rejected,  
22 the Secretary of the Treasury shall, not  
23 later than 30 days after such determina-  
24 tion, provide the State payment stablecoin  
25 regulator with a written explanation for

1 the determination, describing the reasoned  
2 basis for the determination with sufficient  
3 detail such that the State can bring its re-  
4 gime into compliance based on the expla-  
5 nation.

6 (C) APPEAL OF REJECTION.—

7 (i) IN GENERAL.—A State payment  
8 stablecoin regulator that has had a certifi-  
9 cation rejected under this paragraph may,  
10 after the cure period described under sub-  
11 paragraph (B)(i), appeal such rejection to  
12 the United States Court of Appeals for the  
13 District of Columbia Circuit, which shall,  
14 upon a determination that the regulatory  
15 regime of the State for issuing payment  
16 stablecoins meets or exceeds the standards  
17 and requirements described in subsection  
18 (a), reverse such rejection.

19 (ii) REVIEW BY THE SUPREME  
20 COURT.—The judgment and decree of the  
21 Court of Appeals shall be final, except that  
22 the same shall be subject to review by the  
23 Supreme Court upon certiorari, as pro-  
24 vided in section 1254 of title 28.

1 (D) RIGHT TO RESUBMIT.—A State pay-  
2 ment stablecoin regulator that has had a certifi-  
3 cation rejected under this paragraph may re-  
4 submit a new certification under paragraph (2).

5 (c) RULEMAKING.—

6 (1) IN GENERAL.—The primary Federal pay-  
7 ment stablecoin regulators may issue such orders  
8 and regulations as may be necessary to administer  
9 and carry out the requirements of this section, in-  
10 cluding to establish conditions, and to prevent eva-  
11 sions thereof.

12 (2) JOINT ISSUANCE OF REGULATION.—All reg-  
13 ulations issued to carry out this section by the pri-  
14 mary Federal payment stablecoin regulators shall be  
15 issued jointly.

16 (3) RULEMAKING DEADLINE.—Not later than  
17 the end of the 180-day period beginning on the date  
18 of enactment of this Act, the Federal payment  
19 stablecoin regulators shall issue regulations to carry  
20 out this section.

21 **SEC. 5. APPROVAL OF SUBSIDIARIES OF INSURED DEPOSI-**  
22 **TORY INSTITUTIONS AND SUBSIDIARIES OF**  
23 **NONBANK ENTITIES.**

24 (a) IN GENERAL.—

25 (1) APPLICATION.—

1 (A) IN GENERAL.—The primary Federal  
2 payment stablecoin regulator shall receive and  
3 review applications from any insured depository  
4 institution that seeks to issue payment  
5 stablecoins through a subsidiary and any  
6 nonbank entity that seeks to issue payment  
7 stablecoins through a subsidiary.

8 (B) COMPLETION OF APPLICATION.—With  
9 respect to an application filed under this para-  
10 graph, once the primary Federal payment  
11 stablecoin regulator has informed the applicant  
12 that the application is complete, such applica-  
13 tion shall be deemed to be complete unless the  
14 primary Federal payment stablecoin regulator  
15 determines that a significant change in cir-  
16 cumstances requires otherwise.

17 (2) EVALUATION OF APPLICATIONS.—A com-  
18 plete application received under paragraph (1) shall  
19 be evaluated by the primary Federal payment  
20 stablecoin regulator based on the ability of the sub-  
21 sidiary of the applicant to meet the requirements set  
22 forth in section 4.

23 (3) TIMING FOR DECISION; GROUNDS FOR DE-  
24 NIAL.—

1 (A) TIMING.—The primary Federal pay-  
2 ment stablecoin regulator shall—

3 (i) inform the applicant whether the  
4 applicant has submitted a complete appli-  
5 cation not later than 45 days after receiv-  
6 ing the application; and

7 (ii) render a decision on an applica-  
8 tion not later than 120 days after inform-  
9 ing the applicant that the application is  
10 complete.

11 (B) DENIAL OF APPLICATION.—

12 (i) GROUNDS FOR DENIAL.—The pri-  
13 mary Federal payment stablecoin regulator  
14 may only deny a complete application re-  
15 ceived under paragraph (1) if the regulator  
16 determines that the activities of the appli-  
17 cant would be unsafe or unsound based on  
18 the ability of the subsidiary of the appli-  
19 cant to meet the requirements set forth in  
20 section 4.

21 (ii) EXPLANATION REQUIRED.—If the  
22 primary Federal payment stablecoin regu-  
23 lator denies a complete application received  
24 under paragraph (1), the regulator shall,

1 not later than 30 days after the date of  
2 such denial, provide the applicant with—

3 (I) written notice explaining the  
4 denial with specificity, including all  
5 findings made by the regulator with  
6 respect to all identified material short-  
7 comings in the application; and

8 (II) actionable recommendations  
9 on how the applicant could address  
10 the identified material shortcomings.

11 (iii) OPPORTUNITY FOR HEARING;  
12 FINAL DETERMINATION.—

13 (I) IN GENERAL.—Not later than  
14 30 days after the date of receipt of  
15 any notice of the denial of an applica-  
16 tion under this subsection, the appli-  
17 cant may request, in writing, an op-  
18 portunity for a written or oral hearing  
19 before the primary Federal payment  
20 stablecoin regulator to appeal the de-  
21 nial.

22 (II) TIMING.—Upon receipt of a  
23 timely request, the primary Federal  
24 payment stablecoin regulator shall no-  
25 tice a time (not later than 30 days

1 after the date of receipt of the re-  
2 quest) and place at which the appli-  
3 cant may appear, personally or  
4 through counsel, to appeal the denial,  
5 to submit written materials, or to pro-  
6 vide oral testimony and oral argu-  
7 ment.

8 (III) FINAL DETERMINATION.—  
9 Not later than 60 days after the date  
10 of a hearing under this clause, the  
11 primary Federal payment stablecoin  
12 regulator shall notify the applicant of  
13 the final determination of the primary  
14 Federal payment stablecoin regulator  
15 with respect to the appeal, which shall  
16 contain a statement of the basis for  
17 such determination, with specific find-  
18 ings.

19 (IV) NOTICE IF NO HEARING.—If  
20 an applicant does not make a timely  
21 request for a hearing under this  
22 clause, the primary Federal payment  
23 stablecoin regulator shall notify the  
24 applicant, not later than 10 days after  
25 the date by which the applicant may

1 request a hearing under this clause, in  
2 writing, that the denial of the applica-  
3 tion is a final determination of the  
4 primary Federal payment stablecoin  
5 regulator.

6 (C) FAILURE TO RENDER A DECISION.—If  
7 the primary Federal payment stablecoin regu-  
8 lator fails to render a decision on a complete  
9 application within the time period specified in  
10 subparagraph (A), the application shall be  
11 deemed approved.

12 (D) RIGHT TO REAPPLY.—The denial of  
13 an application under this subsection shall not  
14 prohibit the applicant from filing a subsequent  
15 application.

16 (4) REPORT ON PENDING APPLICATIONS.—  
17 Each of the primary Federal payment stablecoin  
18 regulators shall annually report to Congress on—

19 (A) the number of calendar days each ap-  
20 plicant waited for either an approval or denial  
21 of an application under this subsection;

22 (B) the number of calendar days each ap-  
23 plicant with an outstanding application has  
24 waited for a decision; and

1 (C) the number of applications that have  
2 been pending for 6 months or longer since the  
3 date of the initial application filed under para-  
4 graph (1) where the applicant has been in-  
5 formed that the application remains incomplete,  
6 including providing documentation on the sta-  
7 tus of the application and why the application  
8 has not yet been approved.

9 (5) RULEMAKING.—

10 (A) IN GENERAL.—The primary Federal  
11 payment stablecoin regulators shall, jointly,  
12 issue rules to carry out this section, which may  
13 only relate to the application process under this  
14 subsection and may not implement the require-  
15 ments set forth in section 4.

16 (B) TAILORING OF RULES.—The joint  
17 rulemaking required under subparagraph (A)  
18 shall be tailored so as to minimize any incre-  
19 mental burden placed on well capitalized and  
20 highly-rated insured depository institutions.

21 (b) EFFECTIVE DATE.—

22 (1) IN GENERAL.—This section shall take effect  
23 on the earlier of—

24 (A) 18 months after the date of enactment  
25 of this Act; or

1 (B) the date that is 120 days after the  
2 date on which the primary Federal payment  
3 stablecoin regulators issue final regulations im-  
4 plementing this section.

5 (2) AUTHORITY TO ISSUE REGULATIONS AND  
6 PROCESS APPLICATIONS.—The primary Federal pay-  
7 ment stablecoin regulators may, before the effective  
8 date described under paragraph (1)—

9 (A) issue regulations to carry out this sec-  
10 tion; and

11 (B) pursuant to regulations described  
12 under subparagraph (A), accept and process ap-  
13 plications described under this section.

14 (3) NOTICE TO CONGRESS.—Each of the pri-  
15 mary Federal payment stablecoin regulators shall  
16 notify Congress upon receiving their first application  
17 described under this section.

18 (4) SAFE HARBOR FOR PENDING APPLICA-  
19 TIONS.—The primary Federal payment stablecoin  
20 regulator may waive the application of the require-  
21 ments of this section for a period not to exceed 12  
22 months beginning on the effective date described  
23 under paragraph (1), with respect to—

24 (A) a subsidiary of an insured depository  
25 institution, if the insured depository institution

1 has an application pending for the subsidiary to  
2 become a permitted payment stablecoin issuer  
3 on the effective date described under paragraph  
4 (1); or

5 (B) a subsidiary of a nonbank entity, if the  
6 nonbank entity has an application pending to  
7 become a Federal qualified nonbank payment  
8 stablecoin issuer on the effective date described  
9 under paragraph (1).

10 **SEC. 6. SUPERVISION AND ENFORCEMENT WITH RESPECT**  
11 **TO SUBSIDIARIES OF INSURED DEPOSITORY**  
12 **INSTITUTIONS AND FEDERAL QUALIFIED**  
13 **NONBANK PAYMENT STABLECOIN ISSUERS.**

14 (a) SUPERVISION.—

15 (1) SUBSIDIARY OF AN INSURED DEPOSITORY  
16 INSTITUTION.—

17 (A) IN GENERAL.—Each permitted pay-  
18 ment stablecoin issuer that is a subsidiary of an  
19 insured depository institution shall be subject to  
20 supervision by the primary Federal payment  
21 stablecoin regulator in the same manner as  
22 such insured depository institution.

23 (B) GRAMM-LEACH-BLILEY ACT.—For  
24 purposes of title V of the Gramm-Leach-Bliley  
25 Act (15 U.S.C. 6801 et seq.) each permitted

1 payment stablecoin issuer that is a subsidiary  
2 of an insured depository institution shall be  
3 deemed a financial institution.

4 (2) FEDERAL QUALIFIED NONBANK PAYMENT  
5 STABLECOIN ISSUER.—

6 (A) SUBMISSION OF REPORTS.—Each Fed-  
7 eral qualified nonbank payment stablecoin  
8 issuer shall, upon request, submit reports to the  
9 Comptroller as to—

10 (i) the financial condition of the Fed-  
11 eral qualified nonbank payment stablecoin  
12 issuer;

13 (ii) the systems of the Federal quali-  
14 fied nonbank payment stablecoin issuer for  
15 monitoring and controlling financial and  
16 operating risks; and

17 (iii) compliance with this Act by the  
18 Federal qualified nonbank payment  
19 stablecoin issuer.

20 (B) EXAMINATIONS.—The Comptroller  
21 may examine a Federal qualified nonbank pay-  
22 ment stablecoin issuer in order to inform the  
23 Comptroller of—

1 (i) the nature of the operations and fi-  
2 nancial condition of the Federal qualified  
3 nonbank payment stablecoin issuer;

4 (ii) the financial, operational, and  
5 other risks within the Federal qualified  
6 nonbank payment stablecoin issuer that  
7 may pose a threat to—

8 (I) the safety and soundness of  
9 the Federal qualified nonbank pay-  
10 ment stablecoin issuer; or

11 (II) the stability of the financial  
12 system of the United States;

13 (iii) the systems of the Federal quali-  
14 fied nonbank payment stablecoin issuer for  
15 monitoring and controlling the risks de-  
16 scribed in clause (ii); and

17 (iv) the compliance of the Federal  
18 qualified nonbank payment stablecoin  
19 issuer with the requirements of the Bank  
20 Secrecy Act.

21 (C) REQUIREMENTS FOR EFFICIENCY.—In  
22 supervising and examining a Federal qualified  
23 nonbank payment stablecoin issuer, the Comp-  
24 troller shall, to the fullest extent possible, use

1 existing reports and other supervisory informa-  
2 tion.

3 (D) AVOIDANCE OF DUPLICATION.—The  
4 Comptroller shall, to the fullest extent possible,  
5 avoid duplication of examination activities, re-  
6 porting requirements, and requests for informa-  
7 tion in carrying out this Act with respect to a  
8 Federal qualified nonbank payment stablecoin  
9 issuer.

10 (E) GRAMM-LEACH-BLILEY ACT.—For  
11 purposes of title V of the Gramm-Leach-Bliley  
12 Act (15 U.S.C. 6801 et seq.) each Federal  
13 qualified nonbank payment stablecoin issuer  
14 shall be deemed a financial institution.

15 (b) ENFORCEMENT.—

16 (1) SUSPENSION OR REVOCATION OF REGISTRA-  
17 TION.—The primary Federal payment stablecoin  
18 regulator may prohibit a permitted payment  
19 stablecoin issuer from issuing payment stablecoins, if  
20 the primary Federal payment stablecoin regulator  
21 determines that such permitted payment stablecoin  
22 issuer, or an institution-affiliated party of the per-  
23 mitted payment stablecoin issuer, is—

1 (A) materially violating or has materially  
2 violated this Act or any regulation or order  
3 issued under this Act; or

4 (B) materially violating or has materially  
5 violated any condition imposed in writing by the  
6 primary Federal payment stablecoin regulator  
7 in connection with a written agreement entered  
8 into between the permitted payment stablecoin  
9 issuer and the primary Federal payment  
10 stablecoin regulator.

11 (2) CEASE-AND-DESIST PROCEEDINGS.—If the  
12 primary Federal payment stablecoin regulator has  
13 reasonable cause to believe that a permitted payment  
14 stablecoin issuer or any institution-affiliated party of  
15 a permitted payment stablecoin issuer is violating,  
16 has violated, or is attempting to violate this Act, any  
17 regulation or order issued under this Act, or any  
18 written agreement entered into with the primary  
19 Federal payment stablecoin regulator or condition  
20 imposed in writing by the primary Federal payment  
21 stablecoin regulator in connection with any applica-  
22 tion or other request, the primary Federal payment  
23 stablecoin regulator may order the permitted pay-  
24 ment stablecoin issuer or institution-affiliated party  
25 of the permitted payment stablecoin issuer to—

1 (A) cease and desist from such violation or  
2 practice; or

3 (B) take affirmative action to correct the  
4 conditions resulting from any such violation or  
5 practice.

6 (3) REMOVAL AND PROHIBITION AUTHORITY.—

7 The primary Federal payment stablecoin regulator  
8 may remove an institution-affiliated party of a per-  
9 mitted payment stablecoin issuer from their position  
10 or office or prohibit further participation in the af-  
11 fairs of the permitted payment stablecoin issuer or  
12 all permitted payment stablecoin issuers by such in-  
13 stitution-affiliated party, if the primary Federal pay-  
14 ment stablecoin regulator determines that—

15 (A) the institution-affiliated party has, di-  
16 rectly or indirectly, committed a violation or at-  
17 tempted violation of this Act or any regulation  
18 or order issued under this Act; or

19 (B) the institution-affiliated party has  
20 committed a violation of any provision of sub-  
21 chapter II of chapter 53 of title 31, United  
22 States Code.

23 (4) PROCEDURES.—

24 (A) IN GENERAL.—If the primary Federal  
25 payment stablecoin regulator identifies a viola-

1           tion or attempted violation of this Act or makes  
2           a determination under paragraph (1), (2), or  
3           (3), the primary Federal payment stablecoin  
4           regulator shall comply with the procedures set  
5           forth in subsections (b) and (e) of sections 8 of  
6           the Federal Deposit Insurance Act (12 U.S.C.  
7           1818).

8           (B) JUDICIAL REVIEW.—A person ag-  
9           grieved by a final action under this subsection  
10          may obtain judicial review of such action exclu-  
11          sively as provided in section 8(h) of the Federal  
12          Deposit Insurance Act (12 U.S.C. 1818(h)).

13          (C) INJUNCTION.—The primary Federal  
14          payment stablecoin regulator may, in the dis-  
15          cretion of the regulator, follow the procedures  
16          provided in section 8(i)(1) of the Federal De-  
17          posit Insurance Act (12 U.S.C. 1818(i)(1)) for  
18          judicial enforcement of any effective and out-  
19          standing notice or order issued under this sub-  
20          section.

21          (D) TEMPORARY CEASE-AND-DESIST PRO-  
22          CEEDINGS.—If the primary Federal payment  
23          stablecoin regulator determines that a violation  
24          or attempted violation of this Act or an action  
25          with respect to which a determination was made

1 under paragraph (1), (2), or (3), or the con-  
2 tinuation thereof, is likely to cause insolvency or  
3 significant dissipation of assets or earnings of a  
4 permitted payment stablecoin issuer, or is likely  
5 to weaken the condition of the permitted pay-  
6 ment stablecoin issuer or otherwise prejudice  
7 the interests of the customers of the permitted  
8 payment stablecoin issuer prior to the comple-  
9 tion of the proceedings conducted under this  
10 paragraph, the primary Federal payment  
11 stablecoin regulator may follow the procedures  
12 provided in section 8(c) of the Federal Deposit  
13 Insurance Act (12 U.S.C. 1818(c)) to issue a  
14 temporary cease-and-desist order.

15 (5) CIVIL MONEY PENALTIES.—

16 (A) FAILURE TO BE APPROVED.—Any per-  
17 son who issues a payment stablecoin and who is  
18 not a permitted payment stablecoin issuer, and  
19 any institution-affiliated party of such a person  
20 who knowingly participates in issuing such a  
21 payment stablecoin, shall be liable for a civil  
22 penalty of not more than \$100,000 for each day  
23 during which such payment stablecoins are out-  
24 standing.

1           (B) FIRST TIER.—Except as provided in  
2           subparagraph (A), a permitted payment  
3           stablecoin issuer or institution-affiliated party  
4           of such permitted payment stablecoin issuer  
5           that materially violates this Act or any regula-  
6           tion or order issued under this Act, or that ma-  
7           terially violates any condition imposed in writ-  
8           ing by the primary Federal payment stablecoin  
9           regulator in connection with a written agree-  
10          ment entered into between the permitted pay-  
11          ment stablecoin issuer and the primary Federal  
12          payment stablecoin regulator, shall be liable for  
13          a civil penalty of up to \$100,000 for each day  
14          during which the violation continues.

15          (C) SECOND TIER.—Except as provided in  
16          subparagraph (A), and in addition to the pen-  
17          alties described under subparagraph (B), a per-  
18          mitted payment stablecoin issuer or institution-  
19          affiliated party of such permitted payment  
20          stablecoin issuer who knowingly participates in  
21          a violation of any provision of this Act, or any  
22          regulation or order issued thereunder, is liable  
23          for a civil penalty of up to an additional  
24          \$100,000 for each day during which the viola-  
25          tion continues.

1 (D) PROCEDURE.—Any penalty imposed  
2 under this paragraph may be assessed and col-  
3 lected by the primary Federal payment  
4 stablecoin regulator pursuant to the procedures  
5 set forth in section 8(i)(2) of the Federal De-  
6 posit Insurance Act (12 U.S.C. 1818(i)(2)).

7 (E) NOTICE AND ORDERS AFTER SEPARA-  
8 TION FROM SERVICE.—The resignation, termi-  
9 nation of employment or participation, or sepa-  
10 ration of an institution-affiliated party (includ-  
11 ing a separation caused by the closing of a per-  
12 mitted payment stablecoin issuer) shall not af-  
13 fect the jurisdiction and authority of the pri-  
14 mary Federal payment stablecoin regulator to  
15 issue any notice or order and proceed under  
16 this subsection against any such party, if such  
17 notice or order is served before the end of the  
18 6-year period beginning on the date such party  
19 ceased to be an institution-affiliated party with  
20 respect to such permitted payment stablecoin  
21 issuer.

22 (6) NON-APPLICABILITY TO A STATE QUALI-  
23 FIED PAYMENT STABLECOIN ISSUER.—This sub-  
24 section shall not apply to a State qualified payment

1 stablecoin issuer, except in exigent circumstances, as  
2 described in section 7(e).

3 **SEC. 7. STATE QUALIFIED PAYMENT STABLECOIN ISSUERS.**

4 (a) IN GENERAL.—With respect to a State, a State  
5 payment stablecoin regulator shall have supervisory, ex-  
6 amination, and enforcement authority over a State quali-  
7 fied payment stablecoin issuer of such State.

8 (b) AUTHORITY TO ENTER INTO AGREEMENTS.—A  
9 State payment stablecoin regulator may enter into a  
10 memorandum of understanding with the Board and Comp-  
11 troller under which the Board and Comptroller may par-  
12 ticipate in the supervision, examination, and enforcement  
13 authority with respect to the State qualified payment  
14 stablecoin issuers of such State.

15 (c) SHARING OF INFORMATION.—A State payment  
16 stablecoin regulator, the Comptroller, the Board, the Cor-  
17 poration, and the National Credit Union Administration  
18 shall share information on an ongoing basis with respect  
19 to each State qualified payment stablecoin issuer of such  
20 State, including a copy of all initial applications and any  
21 accompanying documents.

22 (d) RULEMAKING.—A State payment stablecoin regu-  
23 lator may issue orders and rules under section 4 applicable  
24 to State qualified payment stablecoin issuers to the same  
25 extent as the primary Federal payment stablecoin regu-

1 lators issue orders and rules under section 4 applicable  
2 to permitted payment stablecoin issuers that are not a  
3 State qualified payment stablecoin issuers.

4 (e) ENFORCEMENT AUTHORITY IN EXIGENT CIR-  
5 CUMSTANCES.—

6 (1) BY THE PRIMARY FEDERAL BANKING AGEN-  
7 CY.—

8 (A) IN GENERAL.—Subject to subpara-  
9 graph (C), in exigent circumstances, the pri-  
10 mary Federal banking agency may, after not  
11 less than 5 days prior written notice to the ap-  
12 plicable State payment stablecoin regulator,  
13 take an enforcement action against a State  
14 qualified payment stablecoin issuer that is a  
15 subsidiary of an insured depository institution  
16 or an institution-affiliated party thereof for vio-  
17 lations of this Act that are exigent in nature.

18 (B) RULEMAKING.—Not later than the end  
19 of the 180-day period beginning on the date of  
20 enactment of this Act, the primary Federal  
21 banking agency shall issue rules to set forth  
22 those exigent circumstances in which the pri-  
23 mary Federal banking agency may act under  
24 this paragraph.

1           (C) IMPOSITION OF RESTRICTIONS.—If the  
2 primary Federal banking agency determines  
3 that there is reasonable cause to believe that  
4 the continuation of any activity by a State  
5 qualified payment stablecoin issuer that is a  
6 subsidiary of an insured depository institution  
7 constitutes a violation of this Act, the primary  
8 Federal banking agency may impose such re-  
9 strictions as the primary Federal banking agen-  
10 cy determines to be necessary to address such  
11 activity.

12           (D) EXIGENT AUTHORITY UNDER SECTION  
13 6(b).—Solely for purposes of carrying out this  
14 paragraph, section 6(b) shall apply to a State  
15 qualified payment stablecoin issuer that is a  
16 subsidiary of an insured depository institution  
17 as if the primary Federal banking agency were  
18 the primary Federal payment stablecoin regu-  
19 lator with respect to the State qualified pay-  
20 ment stablecoin issuer.

21           (E) PRIMARY FEDERAL BANKING AGENCY  
22 DEFINED.—In this paragraph, the term “pri-  
23 mary Federal banking agency” means—

24                   (i) the appropriate Federal banking  
25 agency; and

1 (ii) the National Credit Union Admin-  
2 istration, in the case of an insured credit  
3 union.

4 (2) BY THE COMPTROLLER.—

5 (A) IN GENERAL.—Subject to paragraph  
6 (C), in exigent circumstances, the Comptroller  
7 shall, after not less than 5 days prior written  
8 notice to the applicable State payment  
9 stablecoin regulator, take an enforcement action  
10 against a State qualified payment stablecoin  
11 issuer that is a nonbank entity or an institu-  
12 tion-affiliated party thereof for violations of this  
13 Act.

14 (B) RULEMAKING.—Not later than the end  
15 of the 180-day period beginning on the date of  
16 enactment of this Act, the Comptroller shall  
17 issue rules to set forth those exigent cir-  
18 cumstances in which the Comptroller may act  
19 under this paragraph.

20 (C) LIMITATIONS.—If the Comptroller de-  
21 termines that there is reasonable cause to be-  
22 lieve that the continuation of any activity by a  
23 State qualified payment stablecoin issuer that is  
24 a nonbank entity constitutes a violation of this  
25 Act, the Comptroller shall impose such restric-

1           tions as the Comptroller determines to be nec-  
2           essary to address such activity.

3                   (D) EXIGENT AUTHORITY UNDER SECTION  
4           6(b).—Solely for purposes of carrying out this  
5           paragraph, section 6(b) shall apply to a State  
6           qualified payment stablecoin issuer that is a  
7           nonbank entity as if the Comptroller were the  
8           primary Federal payment stablecoin regulator  
9           with respect to the State qualified payment  
10          stablecoin issuer.

11          (f) GRAMM-LEACH-BLILEY ACT.—For purposes of  
12          title V of the Gramm-Leach-Bliley Act (15 U.S.C. 6801  
13          et seq.) a State qualified payment stablecoin issuer is  
14          deemed a financial institution.

15          (g) EFFECT ON STATE LAW.—The provisions of this  
16          section do not preempt any law of a State and do not su-  
17          persede any State licensing requirement.

18       **SEC. 8. CUSTOMER PROTECTION.**

19          (a) IN GENERAL.—A person may only engage in the  
20          business of providing custodial or safekeeping services for  
21          permitted payment stablecoins or private keys of per-  
22          mitted payment stablecoins, if the person—

23                   (1) is subject to—

24                           (A) supervision or regulation by a primary  
25                   Federal payment stablecoin regulator or a pri-

1           mary financial regulatory agency described  
2           under subparagraph (B) or (C) of section 2(12)  
3           of the Dodd-Frank Wall Street Reform and  
4           Consumer Protection Act (12 U.S.C.  
5           5301(12)); or

6                   (B) supervision by a State bank super-  
7           visor, as defined in section 3 of the Federal De-  
8           posit Insurance Act (12 U.S.C. 1813) or a  
9           State credit union supervisor, as defined in sec-  
10          tion 6003 of the Anti-Money Laundering Act of  
11          2020 (31 U.S.C. 5311 note), and such State  
12          bank supervisor or State credit union supervisor  
13          makes available to the Board such information  
14          as the Board determines necessary and relevant  
15          to the categories of information under sub-  
16          section (d); and

17                  (2) complies with the segregation requirements  
18          under subsections (b), (c), and (d), unless such per-  
19          son complies with similar requirements as required  
20          by a primary Federal payment stablecoin regulator,  
21          the Securities and Exchange Commission, or the  
22          Commodity Futures Trading Commission, as appli-  
23          cable.

24          (b) CUSTOMER PROPERTY REQUIREMENTS.—A per-  
25          son described in subsection (a) shall—

1           (1) treat and deal with the payment stablecoins,  
2           private keys, cash, and other property of another  
3           person for whom or on whose behalf the person re-  
4           ceives, acquires, or holds payment stablecoins, pri-  
5           vate keys, cash, and other property (hereinafter in  
6           this section referred to as the “customer”) as be-  
7           longing to such customer and not as the property of  
8           such person; and

9           (2) take such steps as are appropriate to pro-  
10          tect the payment stablecoins, private keys, cash, and  
11          other property of a customer from the claims of  
12          creditors of the person.

13          (c) COMMINGLING PROHIBITED.—

14           (1) IN GENERAL.—Payment stablecoins, cash,  
15           and other property of a customer shall be separately  
16           accounted for by a person described in subsection  
17           (a) and shall not be commingled with the funds of  
18           the person.

19           (2) CUSTOMER PRIORITY.—The claims of a cus-  
20           tomer with respect to property of the customer shall  
21           have priority over the claims of a payment stablecoin  
22           issuer or any creditor of a payment stablecoin issuer  
23           unless the customer expressly consents otherwise.

24           (3) EXCEPTION.—Notwithstanding paragraph  
25           (1)—

1 (A) the payment stablecoins, cash, and  
2 other property of a customer may be commin-  
3 gled and deposited in an omnibus account hold-  
4 ing the payment stablecoins, cash, and other  
5 property of more than 1 customer at an insured  
6 depository institution;

7 (B) such share of the payment stablecoins,  
8 cash, and other property of the customer that  
9 shall be necessary to transfer, adjust, or settle  
10 a transaction or transfer of assets may be with-  
11 drawn and applied to such purposes, including  
12 the payment of commissions, taxes, storage,  
13 and other charges lawfully accruing in connec-  
14 tion with the provision of services by a person  
15 described in subsection (a); and

16 (C) in accordance with such terms and  
17 conditions as the Board may prescribe by rule,  
18 regulation, or order, any customer payment  
19 stablecoin, cash, and other property described  
20 in this subsection may be commingled and de-  
21 posited in customer accounts with payment  
22 stablecoins, cash, and other property received  
23 by the person and required by the Board to be  
24 separately accounted for, treated, and dealt  
25 with as belonging to customers.

1 (d) REGULATORY INFORMATION.—A person de-  
2 scribed under subsection (a) shall submit to the primary  
3 Federal payment stablecoin regulator (or, if the person  
4 does not have a primary Federal payment stablecoin regu-  
5 lator, to the Board) information concerning the person’s  
6 business operations and processes to protect customer  
7 payment stablecoins, cash, and other property, in such  
8 form and manner as the primary Federal payment  
9 stablecoin regulator (or, if the person does not have a pri-  
10 mary Federal payment stablecoin regulator, the Board)  
11 shall determine.

12 (e) EXCLUSION.—The requirements of this section  
13 shall not apply to any person solely on the basis that such  
14 person engages in the business of providing hardware or  
15 software to facilitate a customer’s own custody or safe-  
16 keeping of the customer’s payment stablecoins or private  
17 keys.

18 **SEC. 9. INTEROPERABILITY STANDARDS.**

19 The primary Federal payment stablecoin regulators,  
20 in consultation with the National Institute of Standards  
21 and Technology, other relevant standard setting organiza-  
22 tions, and State governments—

23 (1) shall assess compatibility and interoper-  
24 ability standards for payment stablecoin issuers; and

1           (2) if necessary, may, pursuant to section 553  
2           of title 5 and in a manner consistent with the Na-  
3           tional Technology Transfer and Advancement Act of  
4           1995 (Public Law 104–113), prescribe standards for  
5           payment stablecoin issuers to promote compatibility  
6           and interoperability.

7 **SEC. 10. MORATORIUM ON ENDOGENOUSLY**  
8 **COLLATERALIZED STABLECOINS.**

9           (a) MORATORIUM.—During the 2-year period begin-  
10          ning on the date of enactment of this Act, it shall be un-  
11          lawful to issue, create, or originate an endogenously  
12          collateralized stablecoin not in existence on the date of en-  
13          actment of this Act.

14          (b) ENDOGENOUSLY COLLATERALIZED STABLECOIN  
15          DEFINED.—In this section, the term “endogenously  
16          collateralized stablecoin” means any digital asset—

17                 (1) in which its issuer has represented will be  
18                 converted, redeemed, or repurchased for a fixed  
19                 amount of monetary value; and

20                 (2) that relies solely on the value of another  
21                 digital asset created or maintained by the same  
22                 originator to maintain the fixed price.

23 **SEC. 11. STUDY ON NON-PAYMENT STABLECOINS.**

24          (a) STUDY BY TREASURY.—

1           (1) STUDY.—The Secretary of the Treasury, in  
2           consultation with the Board, the Comptroller, the  
3           Corporation, and the Securities and Exchange Com-  
4           mission, shall carry out a study of non-payment  
5           stablecoins, including decentralized stablecoins.

6           (2) REPORT.—Not later than 365 days after  
7           the date of the enactment of this Act, the Secretary  
8           shall provide to the Committee on Financial Services  
9           of the House of Representatives and the Committee  
10          on Banking, Housing, and Urban Affairs of the Sen-  
11          ate a report that contains all findings made in car-  
12          rying out the study under paragraph (1), including  
13          an analysis of—

14                 (A) the categories of non-payment  
15                 stablecoins, including the benefits and risks of  
16                 technological design features;

17                 (B) the participants in non-payment  
18                 stablecoin arrangements;

19                 (C) utilization and potential utilization of  
20                 non-payment stablecoins;

21                 (D) nature of reserve compositions;

22                 (E) governance structure, including as-  
23                 pects of decentralization;

24                 (F) nature of public promotion and adver-  
25                 tising; and

1 (G) clarity and availability of consumer no-  
2 tices disclosures.

3 **SEC. 12. REPORT ON RULEMAKING STATUS.**

4 Not later than 6 months after the date of enactment  
5 of this Act, the primary Federal payment stablecoin regu-  
6 lators shall provide a status update on the development  
7 of the rulemaking under this Act to the Committee on Fi-  
8 nancial Services of the House of Representatives and the  
9 Committee on Banking, Housing, and Urban Affairs of  
10 the Senate.

11 **SEC. 13. AUTHORITY OF BANKING INSTITUTIONS.**

12 (a) **RULE OF CONSTRUCTION.**—Nothing in this Act  
13 may be construed to limit the authority of a depository  
14 institution, Federal credit union, or State credit union to  
15 engage in activities permissible pursuant to applicable  
16 State and Federal law, including—

17 (1) accepting or receiving deposits and issuing  
18 digital assets that represent deposits;

19 (2) utilizing a distributed ledger for the books  
20 and records of the entity and to affect intrabank  
21 transfers; and

22 (3) providing custodial services for payment  
23 stablecoins, private keys of payment stablecoins, or  
24 reserves backing payment stablecoins.

1 (b) TREATMENT OF CUSTODY ACTIVITIES.—The ap-  
2 propriate Federal banking agency, the National Credit  
3 Union Administration (in the case of a credit union), and  
4 the Securities and Exchange Commission may not require  
5 a depository institution, national bank, Federal credit  
6 union, or State credit union, or any affiliate thereof—

7 (1) to include assets held in custody as a liabil-  
8 ity on any financial statement or balance sheet, in-  
9 cluding payment stablecoin custody or safekeeping  
10 activities;

11 (2) to hold additional regulatory capital against  
12 assets in custody or safekeeping, except as necessary  
13 to mitigate against operational risks inherent with  
14 the custody or safekeeping services, as determined  
15 by—

16 (A) the appropriate Federal banking agen-  
17 cy;

18 (B) the National Credit Union Administra-  
19 tion (in the case of a credit union);

20 (C) a State bank supervisor (as defined in  
21 section 3 of the Federal Deposit Insurance Act  
22 (12 U.S.C. 1813)); or

23 (D) a State credit union supervisor (as de-  
24 fined in section 6003 of the Anti-Money Laun-  
25 dering Act of 2020 (31 U.S.C. 5311 note));

1           (3) to recognize a liability for any obligations  
2 related to activities or services performed for digital  
3 assets that the entity does not own if that liability  
4 would exceed the expense recognized in the income  
5 statement as a result of the corresponding obliga-  
6 tion.

7 (c) DEFINITIONS.—In this section:

8           (1) DEPOSITORY INSTITUTION.—The terms  
9 “depository institution” has the meaning given that  
10 term in section 3 of the Federal Deposit Insurance  
11 Act (12 U.S.C. 1813).

12           (2) CREDIT UNION TERMS.—The terms “Fed-  
13 eral credit union” and “State credit union” have the  
14 meaning given those terms, respectively, under sec-  
15 tion 101 of the Federal Credit Union Act.

16 **SEC. 14. AMENDMENTS TO CLARIFY THAT PAYMENT**  
17 **STABLECOINS ARE NOT SECURITIES.**

18 (a) INVESTMENT ADVISERS ACT OF 1940.—Section  
19 202(a)(18) of the Investment Advisers Act of 1940 (15  
20 U.S.C. 80b–2(a)(18)) is amended by adding at the end  
21 the following: “The term ‘security’ does not include a pay-  
22 ment stablecoin issued by a permitted payment stablecoin  
23 issuer, as such terms are defined, respectively, in section  
24 2 of the STABLE Act of 2025.”.

1 (b) INVESTMENT COMPANY ACT OF 1940.—The In-  
2 vestment Company Act of 1940 is amended—

3 (1) in section 2(a)(36) (15 U.S.C. 80a-  
4 2(a)(36)), by adding at the end the following: “The  
5 term ‘security’ does not include a payment stablecoin  
6 issued by a permitted payment stablecoin issuer, as  
7 such terms are defined, respectively, in section 2 of  
8 the STABLE Act of 2025.”; and

9 (2) in section 3(c) (15 U.S.C. 80a-3(c)), by  
10 adding at the end the following:

11 “(15) Any permitted payment stablecoin issuer,  
12 as such term is defined in section 2 of the STABLE  
13 Act of 2025.”.

14 (c) SECURITIES ACT OF 1933.—Section 2(a)(1) of  
15 the Securities Act of 1933 (15 U.S.C. 77b(a)(1)) is  
16 amended by adding at the end the following: “The term  
17 ‘security’ does not include a payment stablecoin issued by  
18 a permitted payment stablecoin issuer, as such terms are  
19 defined, respectively, in section 2 of the STABLE Act of  
20 2025.”.

21 (d) SECURITIES EXCHANGE ACT OF 1934.—Section  
22 3(a)(10) of the Securities Exchange Act of 1934 (15  
23 U.S.C. 78c(a)(10)) is amended by adding at the end the  
24 following: “The term ‘security’ does not include a payment  
25 stablecoin issued by a permitted payment stablecoin

1 issuer, as such terms are defined, respectively, in section  
2 2 of the STABLE Act of 2025.”.

3 (e) SECURITIES INVESTOR PROTECTION ACT OF  
4 1970.—Section 16(14) of the Securities Investor Protec-  
5 tion Act of 1970 (15 U.S.C. 78lll(14)) is amended by add-  
6 ing at the end the following: “The term ‘security’ does  
7 not include a payment stablecoin issued by a permitted  
8 payment stablecoin issuer, as such terms are defined, re-  
9 spectively, in section 2 of the STABLE Act of 2025.”.

10 **SEC. 15. RECIPROCITY FOR STABLECOINS ISSUED IN OVER-**  
11 **SEAS JURISDICTIONS.**

12 The Board, in collaboration with the Secretary of the  
13 Treasury, shall create and implement reciprocal arrange-  
14 ments or other bilateral agreements between the United  
15 States and jurisdictions with substantially similar pay-  
16 ment stablecoin regulatory regimes to facilitate inter-  
17 national transactions and interoperability with any United  
18 States dollar-denominated stablecoins issued overseas.