CSBS Statement on Passage of Senate Stablecoin Act

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Washington, D.C.- *CSBS President and CEO Brandon Milhorn Statement on Senate Passage of the GENIUS Act:*

"A national framework for stablecoins will only be successful if it protects consumers and financial stability. CSBS appreciates the efforts of the Senate to improve the GENIUS Act, moving the bill closer to these goals.

In particular, Senate revisions to the bill have substantially narrowed the scope of authorized activities for stablecoin issuers – keeping their business model focused on stablecoin-related functions. These changes will help to promote financial stability for issuers and limit the potential competitive impact of the legislation on community banks.

Nevertheless, critical changes must be made during House consideration of the legislation to prevent unintended consequences and further mitigate financial stability risks. CSBS remains concerned with the dramatic and unsupported expansion of the authority of uninsured banks to conduct money transmission or custody activities nationwide without the approval or oversight of host state supervisors (Sec. 16(d)).

It is also imperative that state supervisors retain full authority to approve and supervise the activities of a permitted payment stablecoin issuer that is the subsidiary of a state-chartered bank. As drafted, Section 5(h) would inappropriately constrain a state's authority to protect its economy and citizens.

We look forward to continuing to work with Congress on these and other vital changes."

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The Conference of State Bank Supervisors (CSBS) is the national organization of financial regulators from all 50 states, American Samoa, District of Columbia, Guam, Puerto Rico, and U.S. Virgin Islands. State regulators supervise 79% of all U.S. banks and a variety of non-depository financial services. CSBS, on behalf of state regulators, also operates the Nationwide Multistate Licensing System to license and register non-depository financial service providers in the mortgage, money services businesses, consumer finance, and debt industries.

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