PRESS RELEASES

# Stablecoin Framework Must be Sustainable

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**Washington, D.C.** – *Conference of State Bank Supervisors (CSBS) President and CEO Brandon Milhorn Statement on House Passage of the GENIUS Act:*

"A national regulatory framework for stablecoins is a vital precondition for a broader, innovative digital asset ecosystem in the United States. The GENIUS Act is a historic, bipartisan effort to accomplish this goal.

We appreciate congressional support for many amendments requested by state supervisors to improve the final bill, particularly changes that promote parity for state-approved stablecoin issuers and narrow the scope of authorized activities for all stablecoin issuers. These adjustments will help promote financial stability, protect consumers, and limit the competitive consequences for the nation's banks.

To further improve the national stablecoin framework, we urge Congress to make additional critical changes to the GENIUS Act in future digital asset legislation."

Earlier this week, CSBS sent a letter to House and Senate leaders requesting additional amendments to the GENIUS Act, specifically:

- Eliminate Section 16(d) of the GENIUS Act, which would prevent host state approval and supervision of the money transmission and custody activities of uninsured banks with payment stablecoin subsidiaries – a dramatic intrusion on state authority that is unnecessary and unrelated to the purpose of the legislation.
- Amend Section 5(h) of the GENIUS Act to restore a state's full authority to approve and supervise the activities of a permitted payment stablecoin issuer that is the subsidiary of a state-chartered bank, and
- Amend Section 4(b)(1) to clarify that state consumer protection laws are not preempted.

State supervisors look forward to working with Congress on these crucial 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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