Treasury Should Preserve State-Federal Parity in Stablecoin Regulation

PRESS RELEASES

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Washington, D.C. – The U.S. Department of the Treasury's proposed rule to implement the GENIUS Act's safe harbor provision threatens parity between state and federal stablecoin issuers, the Conference of State Bank Supervisors (CSBS), the National Conference of State Legislatures, the National Association of State Credit Union Supervisors, and the Money Transmitter Regulators Association said in a comment letter submitted today.

The proposed rule should provide state-approved issuers with transition protections equivalent to those available to federal issuers, allowing both to operate without disruption when the law takes effect on Jan. 18, 2027.

The letter recommended that Treasury:

- Clarify that state-approved stablecoin issuers may continue operating while the Stablecoin Certification Review Committee reviews its approving state's certification and during any period provided to cure an initial denial.
- Provide a safe harbor for issuers operating in states that file conditional certifications indicating that compliant state laws will be in place by Jan. 18, 2028.

Statement from CSBS President and CEO Brandon Milhorn:

"Congress deliberately preserved both state and federal pathways to protect consumer choice and support a resilient, innovative stablecoin market. Treasury should honor that framework by unequivocally providing state-approved issuers the same transition protections available to federal issuers."

Read more about why Treasury should provide greater certainty and parity for state stablecoin issuers.

Read CSBS statements and comments on the GENIUS Act:

- **Treasury's Substantially Similar Principles for State Stablecoin Regimes Needs Recalibration**
- **OCC Stablecoin Rules Must Address Issuer Risks and Protect Consumers**
- **Stablecoin Framework Must be Sustainable**

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The Conference of State Bank Supervisors (CSBS) is the nationwide organization supporting a network 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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