

5 Rules In 10 Weeks: Inside Genius Act's Implementation Blitz

By **Gary Kalbaugh and Lewis Cohen** (May 21, 2026, 4:43 PM EDT)

Within the last approximately two months, federal regulators issued at least five proposed rules implementing the Guiding and Establishing National Innovation for U.S. Stablecoins, or Genius, Act.[1]

The Office of the Comptroller of the Currency, Federal Deposit Insurance Corp., National Credit Union Administration, U.S. Department of the Treasury, and the Financial Crimes Enforcement Network with the Office of Foreign Assets Control converted a six-month-old statute into a substantially complete proposed regulatory regime.[2]

The Genius Act requires final implementing rules by July 18.

The OCC's proposal has become the gravitational center of the federal stablecoin framework: The FDIC has expressly aligned its proposal with the OCC's, Treasury has used the OCC framework as the baseline against which state regimes will be measured, and the NCUA has built on a parallel architecture.

Why This Matters and What to Do Now

Five rules were proposed across 10 weeks.

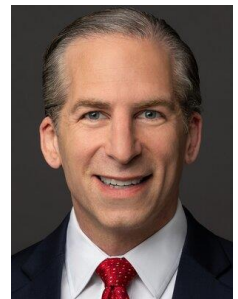
Three of the four primary federal payment stablecoin regulators (the OCC, FDIC and NCUA) have issued notices of proposed rulemaking, or NPRMs, implementing the Genius Act.

Treasury has issued a separate NPRM on state regimes and a joint FinCEN/OFAC NPRM on anti-money laundering and countering the financing of terrorism, i.e. AML/CFT, and sanctions program requirements for permitted payment stablecoin issuers.

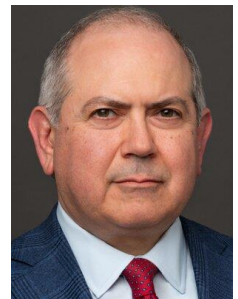
AML/CFT and sanctions compliance are being codified for stablecoin issuers with, for apparently the first time, a prescriptive sanctions compliance program instead of a voluntary framework.

The FinCEN/OFAC joint NPRM would treat issuers as financial institutions for Bank Secrecy Act purposes.[3]

The statutory clock is running.



Gary Kalbaugh



Lewis Cohen

Final implementing regulations are due no later than July 18, and the act becomes effective on the earlier of: (1) 120 days after final regulations are issued; or (2) Jan. 18, 2027.

Final rules are likely to be published on a compressed timeline.[4]

Comment deadlines are approaching.

The open NPRMs are Treasury's state-level "substantial similarity" regulatory test NPRM (with a comment deadline of June 2); the FDIC requirements and standards NPRM (June 9); and the FinCEN/OFAC AML and sanctions NPRM (June 9).[5]

Federal versus state pathway analysis is now actionable.

Because Treasury benchmarks state regimes against the OCC's detailed proposal, state supervision is unlikely to provide a materially less burdensome regulatory experience in the prudential domain.

Several states, including New York, Texas and Wyoming, have existing virtual currency or stablecoin frameworks that may form the basis of substantial-similarity certifications, and California's Digital Financial Assets Law takes effect on July 1.[6]

National trust bank momentum is continuing.

Following five conditional approvals in December, the OCC earlier this year conditionally approved additional applications and affirmed that national trust banks may engage in nonfiduciary activities.[7]

Watch the Fed and Congress.

The Federal Reserve has not yet issued its Genius Act NPRM for state member bank issuers, but it's expected before the July 18 deadline. It did, on May 20, release a follow-up to its December payment account request for information. The Digital Asset Market Clarity Act markup passed the U.S. Senate Banking Committee earlier this month.

The OCC in Front

Five proposed rules in 10 weeks is a striking pace. The OCC's proposal is the most expansive and technically detailed, partly because of the breadth of OCC jurisdiction: The agency is the primary federal payment stablecoin regulator for the broadest range of institutions.

The FDIC has expressly aligned its proposal with the OCC's and invited comment on the appropriate scope of further interagency convergence.

Treasury has designated the OCC framework as the "baseline for comparison" for state regimes. The OCC proposal looks to be, in effect, a foreshadowing of what will be the regulatory perimeter for every category of issuer.

The agencies are converging more than diverging. The remaining differences include the OCC's elaborate set of automatic consequences for breach, its prior-notice requirement for any change of control of an issuer, and its broader and more presumption-laden interest and yield prohibition.

These may drive pathway selection and are shaping comment letters.

The Federal Application and Licensing Framework

OCC NPRM: The Anchor Proposal

The OCC's NPRM is the broadest proposal and goes beyond the statutory text in many respects, including mandatory consequences for breach of certain prudential requirements, such as a prohibition on issuing new payment stablecoins, mandatory liquidation of reserve assets, or extension of redemption periods.

Significant operational questions are left unaddressed, including the treatment of unredeemed stablecoins held by deceased or unreachable holders, stablecoins stranded in lost wallets, and the application of state escheatment regimes to assets whose holders are identifiable only by a public address.

FDIC NPRM: Aligned, With Calibrated Differences

The FDIC's April NPRM[8] follows its December 2025 NPRM on the application process and addresses requirements applicable to FDIC-supervised issuers — which must be subsidiaries of FDIC-supervised insured depository institutions — and to FDIC-supervised institutions providing custody and safekeeping services for stablecoin reserves and collateral.[9] Comments are due June 9.

The principal divergences with the OCC are: (1) less prescriptive reserve diversification beyond a 40% counterparty concentration limit; (2) reliance on supervisory discretion rather than the OCC's automatic-consequence regime; and (3) no stand-alone issuer control filing requirement.

We expect convergence to increase between the proposed and final stages.

NCUA NPRM: Licensing First, Standards to Follow

The NCUA's NPRM addresses the licensing process for federally insured credit union, or FICU, subsidiaries that seek to become issuers and limits FICU investment to NCUA-licensed issuers.

Two features specific to credit unions are notable: a joint application requirement (the prospective issuer must apply jointly with its FICU parent), and the NCUA's assumption that issuers might be jointly held by multiple FICUs through a credit union service organization.[10]

The NCUA has indicated that a forthcoming proposal will address substantive prudential standards for FICU-affiliated issuers.

Federal Reserve: Still Outstanding

The Federal Reserve, the primary federal payment stablecoin regulator for subsidiaries of state member banks, has not yet issued an NPRM. Industry expectations are that its proposal will broadly track the OCC and FDIC frameworks.

State Substantial Similarity: Treasury Picks the Baseline

In April, Treasury published an NPRM establishing principles for determining whether a state-level regulatory regime is "substantially similar" to the federal framework under the Genius Act.[11]

The proposal divides federal requirements into two categories.

"Uniform requirements" (reserve asset categories, the prohibition on rehypothecation, and the prohibition on payment of interest or yield, among others) must apply identically under state and federal law.

"State-calibrated requirements" (reserve composition above the statutory floor, redemption mechanics, capital, and the operational backstop) permit some state flexibility, provided the level of protection is equivalent.

The most consequential drafting choice is Treasury's express designation of the OCC framework as the comparative baseline. States may permit reserve assets beyond those enumerated in the Genius Act[12] only to the extent the OCC has approved them as "similarly liquid Federal Government-issued assets," per the proposal.[13]

States may, of course, be more conservative than the OCC.

State capital regimes must be anchored in high-quality capital (Common Equity Tier 1 plus additional Tier 1) tailored to the issuer's business model, and state regimes must impose an operational backstop at levels at least as strong as under OCC rules.

Treasury also proposes to define "federal regulatory framework" to include the implementing regulations of the primary federal payment stablecoin regulators, Treasury Bank Secrecy Act and sanctions regulations, and Federal Reserve anti-tying rules, with the practical effect that the OCC's rulemaking choices, as they evolve, will continue to shape the federal benchmark.[14]

For state-chartered nonbank issuers, state supervision is therefore unlikely to provide a materially less burdensome regulatory experience in the prudential domain, although it may offer differences in process, examination frequency and supervisory style. The \$10 billion threshold imposes a hard ceiling.

An issuer approaching that level should plan for federal transition. The proposal does not address how Treasury will monitor state regimes over time or under what conditions certifications may be revisited.

AML/CFT and Sanctions: The FinCEN/OFAC Joint NPRM

In April, FinCEN and OFAC jointly issued an NPRM[15] implementing the Genius Act's directive to treat issuers as financial institutions under the Bank Secrecy Act and to require effective sanctions compliance programs.[16]

Comments are due June 9.

This is the one corner of the federal framework where the OCC is not the gravitational center: The substantive standards are FinCEN's and OFAC's, although the prudential regulators retain primary day-to-day supervision and a consultation role.

The proposal would subject issuers to a BSA-required AML/CFT program and represents what appears to be the first time federal law has explicitly mandated that a particular U.S. person maintain an effective sanctions compliance program.[17]

All U.S. persons have long been subject to substantive sanctions prohibitions under the International Emergency Economic Powers Act, but OFAC's 2019 "Framework for OFAC Compliance Commitments" has, until now, served as voluntary guidance to which compliance was strongly encouraged but not legally required.[18]

Sophisticated issuers may already maintain similar programs voluntarily, but the proposal converts those expectations into binding regulatory requirements with examination and enforcement consequences.

The proposal is notable for its detailed engagement with the operational realities of stablecoin issuance on topics such as smart contract control of secondary-market transactions and other matters, blockchain analytics, geolocation tools, transaction freezing, and the obligation to block stablecoins held by sanctioned persons by exercising issuer control over the smart contract.

Issuers will, in many cases, need real-time, on-chain screening and the technical ability to freeze or block specific addresses, particularly for jurisdictions subject to comprehensive sanctions.

Other Notable Developments

OCC Final Rule on National Trust Bank Chartering

In March, the OCC finalized an amendment confirming that national trust banks may engage in nonfiduciary activities, including digital asset custody.[19]

The amendment is intended to remove ambiguity that could be exploited in a textual challenge to the OCC's charter approvals. The Conference of State Bank Supervisors and others have raised legal concerns about the OCC's use of the trust bank charter for primarily nonfiduciary activities; those concerns may form the basis of future litigation.

Additional OCC Charter Approvals

Following the first wave of December 2025 OCC charter approvals, the OCC granted further conditional approvals in early 2026.[20]

Applications from Morgan Stanley, Payoneer and zerohash, among others, remain pending. National trust banks remain limited-purpose and generally do not have access to FDIC insurance, deposit-taking or principal lending.

Fed Payment Accounts

The comment period on the Fed's December 2025 request for information on a payment account prototype closed on Feb. 6. The Fed then on May 20 requested public comment on a new but similar payment account prototype.[21]

Clarity Act

After passing the House in July 2025 and clearing the Senate Agriculture Committee in January 2026,[22] the Clarity Act passed a May 14 Senate Banking Committee markup. Now, it advances to the full Senate after the 15-9 vote, with all Republicans and two Democrats in favor.

The 309-page text released May 12 incorporates a compromise arranged by Sens. Thom Tillis, R-N.C., and Angela Alsobrooks, D-Md., banning yield on passive stablecoin balances while permitting activity-based rewards tied to payments and transfers. Prominent bank industry associations have rejected the compromise, leaving the scope of activity-based rewards as a live flashpoint.

Conclusion

Five proposed rules in 10 weeks have transformed the Genius Act from a statute on paper into a substantially complete, though still proposed, operational regime, with the OCC at the center.

The OCC operates as the de facto baseline regulator for federal qualified issuers, as the benchmark against which state regimes are measured and as the framework with which the FDIC has explicitly chosen to align.

Several questions will shape the final regime: (1) whether and how the Fed's forthcoming proposal will diverge for uninsured state member banks; (2) whether Congress, through the Clarity Act or otherwise, will revise the prohibition on stablecoin interest and yield; (3) whether the OCC's use of the trust bank charter for primarily nonfiduciary activities will withstand legal challenge; and (4) the degree of interagency convergence in the final rules.

Market participants should engage in the comment process and prepare to operationalize the framework on a compressed timeline given the July 18 statutory deadline and the January 2027 effective-date backstop.

Gary E. Kalbaugh is a partner at Cahill Gordon & Reindel LLP.

Lewis Rinaudo Cohen is a partner and the co-chair of CahillNXT, the firm's digital assets and emerging technology practice.

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[1] Guiding and Establishing National Innovation for U.S. Stablecoins Act of 2025 (Genius Act), Pub. L. No. 119–27, 139 Stat. 419 (codified at 12 U.S.C. §§ 5901–5916). The Act directs the primary federal payment stablecoin regulators to issue implementing regulations not later than one year after the date of enactment. *Id.* § 13(a) (12U.S.C. § 5913(a)).

[2] Implementing the Guiding and Establishing National Innovation for U.S. Stablecoins Act for the Issuance of Stablecoins by Entities Subject to the Jurisdiction of the Office of the Comptroller of the Currency, 91 Fed. Reg. 10,202 (proposed Mar. 2, 2026) (to be codified at 12 C.F.R. pts. 3, 6, 8, 15, 19) [hereinafter OCC NPRM]; Genius Act Requirements and Standards for FDIC-Supervised Permitted Payment Stablecoin Issuers and Insured Depository Institutions, 91 Fed. Reg. 18,534 (proposed Apr. 10,

2026) (to be codified at 12 C.F.R. pts. 324, 330, 350) [hereinafter FDIC Standards NPRM]; Investments in and Licensing of Permitted Payment Stablecoins Issuers, 91 Fed. Reg. 6,531 (proposed Feb. 12, 2026) (to be codified at 12 C.F.R. pt. 706) [hereinafter NCUA NPRM]; Genius Act Broad-Based Principles for Determining Whether a State-Level Regulatory Regime Is Substantially Similar to the Federal Regulatory Framework, 91 Fed. Reg. 16,844 (proposed Apr. 3, 2026) (to be codified at 12 C.F.R. ch. XV) [hereinafter Treasury Substantial Similarity NPRM]; Permitted Payment Stablecoin Issuer Anti-Money Laundering/Countering the Financing of Terrorism Program and Sanctions Compliance Program Requirements, 91 Fed. Reg. 18,582 (proposed Apr. 10, 2026) (to be codified at 31 C.F.R. pts. 502, 1010, 1033) [hereinafter FinCEN/OFAC NPRM].

[3] See FinCEN/OFAC NPRM, 91 Fed. Reg. at 18,582; see also 12 U.S.C. § 5903(a)(5).

[4] Department of Justice, Fact Sheet, False Claims Act Settlements and Judgments, FY 2025, available at <https://www.justice.gov/opa/media/1424126/dl>.

[5] Treasury Substantial Similarity NPRM, 91 Fed. Reg. at 16,844; FDIC Standards NPRM, 91 Fed. Reg. at 18,534; FinCEN/OFAC NPRM, 91 Fed. Reg. at 18,582.

[6] See, e.g., N.Y. Comp. Codes R. & Regs. tit. 23, pt. 200 (New York Department of Financial Services virtual currency framework, including BitLicense regime); Tex. Fin. Code Ann. ch. 152 (Money Services Modernization Act) & ch. 160 (digital asset service provider provisions); Wyo. Stat. Ann. §§ 13-12-101 to -126 (Special Purpose Depository Institutions); Wyo. Stat. Ann. §§ 40-31-101 to -110 (Wyoming Stable Token Act); Cal. Fin. Code §§ 3101–3905 (Digital Financial Assets Law) (effective July 1, 2026).

[7] See National Bank Chartering, 91 Fed. Reg. 9,977 (Mar. 2, 2026) (to be codified at 12 C.F.R. § 5.20); Press Release, OCC, OCC Announces Conditional Approvals for Five National Trust Bank Charter Applications (Dec. 12, 2025), <https://occ.gov/news-issuances/news-releases/2025/nr-occ-2025-125.html>.

[8] FDIC Standards NPRM, 91 Fed. Reg. at 18,534.

[9] Approval Requirements for Issuance of Payment Stablecoins by Subsidiaries of FDIC-Supervised Insured Depository Institutions, 90 Fed. Reg. 59,409 (proposed Dec. 19, 2025) (to be codified at 12 C.F.R. pt. 303).

[10] NCUA NPRM, 91 Fed. Reg. at 6,531.

[11] Treasury Substantial Similarity NPRM, 91 Fed. Reg. at 16,844.

[12] 12 U.S.C. § 5903(a)(1)(A) (enumerating permissible reserve assets, including U.S. coins and currency, demand deposits at insured depository institutions, short-dated Treasury bills, certain repurchase and reverse-repurchase agreements collateralized by Treasury securities, government money-market funds, and central bank reserves).

[13] *Id.* § 5903(a)(1)(A)(vii) (catch-all category covering other similarly liquid Federal Government-issued assets approved by the primary Federal payment stablecoin regulators).

[14] Treasury Substantial Similarity NPRM, 91 Fed. Reg. at 16,855–57.

[15] FinCEN/OFAC NPRM, 91 Fed. Reg. at 18,582.

[16] FinCEN/OFAC NPRM, 91 Fed. Reg. at 18,582; see 12 U.S.C. § 5903(a)(5).

[17] See FinCEN/OFAC NPRM, 91 Fed. Reg. at 18,613.

[18] See FinCEN/OFAC NPRM, 91 Fed. Reg. at 18,582–83; see generally Off. of Foreign Assets Control, U.S. Dep't of the Treasury, A Framework for OFAC Compliance Commitments (May 2, 2019), <https://ofac.treasury.gov/media/16331/download>.

[19] National Bank Chartering, 91 Fed. Reg. 9,977 (Mar. 2, 2026) (to be codified at 12 C.F.R. § 5.20).

[20] See Press Release, OCC, OCC Announces Conditional Approvals for Five National Trust Bank Charter Applications (Dec. 12, 2025), <https://occ.gov/news-issuances/news-releases/2025/nr-occ-2025-125.html>; Press Release, OCC, Conditional Approval for Coinbase National Trust Company (Apr. 2, 2026).

[21] Request for Information and Comment on Reserve Bank Payment Account Prototype, 90 Fed. Reg. 60,096 (Dec. 23, 2025) (Docket No. OP-1877). The comment period closed on February 6, 2026.

[22] The House version is known as the "CLARITY Act" while the Senate version is known as the "Clarity Act."